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Daily Report

East Asia

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FBIS-EAS-96-129
Wednesday
3 July 1996

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Daily Report

East Asia

FBIS-EAS-96-129

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Japan

Tokyo Plans Counteraction to U.S. Rejection of JAL Flight

OW0307061996 Tokyo NHK General Television Network in Japanese 0310 GMT 3 Jul 96

[Announcer-read report; from "NHK News" program]

[FBIS Translated Text] In the midst of stalemate in the passenger aviation talks, the United States has decided to suspend final approval of Japan Airlines [JAL] new Hiroshima-Honolulu route, which is scheduled to open tomorrow [4 July]. Japan is going to take counteraction, saying the U.S. decision is a violation of the bilateral aviation accord.

Japan and the United States started working-level talks on passenger aviation in Washington last month, but no agreement was reached during the first-round negotiations. In reaction to the failure of the talks, the United States decided to suspend approval of JAL's Hiroshima-Honolulu service starting tomorrow.

As a counteraction, the Transport Ministry has decided to reject extension of United Airlines' extraordinary Tokyo-Los Angeles flights after 8 July. Thus, Japan and the United States are beginning to hit out at each other in the passenger aviation dispute.

JAL said tickets for the Hiroshima-Honolulu flights are already on sale, but the U.S. decision is unlikely to have an immediate effect on passengers as JAL is allowed to cover the route with charter flights at least until the weekend.

Japan: U.S. Rejects Weekly Hiroshima-Honolulu Service by JAL

OW0307063196 Tokyo KYODO in English 0540 GMT 3 Jul 96

[FBIS Transcribed Text] Tokyo, July 3 KYODO — U.S. transportation authorities have rejected a Japan Airlines (JAL) request to start weekly passenger service between Hiroshima and Honolulu beginning Thursday, Japanese Transport Ministry officials said Wednesday.

They instead in a temporary measure permitted the Japanese carrier to fly a charter flight for a week, the officials said.

Japan also expects to extend for about another week an increase in Tokyo-Los Angeles flights by United Airlines, which has been authorized to do so under a provisional agreement that expires next Monday.

The U.S. move came after Japanese and U.S. aviation negotiators failed to come to an agreement on increasing passenger flights when they met in Washington last week.

The unsuccessful session makes chances slim that JAL will win approval for the weekly Hiroshima-Honolulu service, prompting the company to apply for flying charter flights for one month to fill bookings it has already accepted for flights starting Thursday.

The United States did not fully approve the request, apparently because Japan refused to give approval to Northwest Airlines to fly to Jakarta via Osaka under the "beyond" rights, industry sources said.

The U.S. argues that two U.S. carriers — Northwest and United — are entitled to unconditionally exercise "beyond" rights, which allow carriers to fly to a third nation after stopovers, under the 1952 Bilateral Aviation Treaty.

Japan, however, calls for restraint in the use of such rights by U.S. carriers to redress the imbalance of aviation privileges between the two nations.

Japan: MITI Releases Opinion on Semiconductor Talks with U.S.

OW0307053596 (Internet) Japanese Ministry of International Trade WWW in English 3 Jul 96

[From the "Special Issues" link]

[FBIS Transcribed Text] Opinion of MITI

July 3, 1996

The U.S.-Japan Semiconductor Arrangement is No Longer Relevant in a Global Market Characterized by Rapid Growth and Innovation. It Should not be Renewed.

It is the opinion of Japanese Government that: The U.S.-Japan Semiconductor Arrangement, which focuses exclusively on the Japanese markets, is not compatible with the evolving needs of a dynamic industry that has undergone dramatic change since the Arrangement was first drafted in 1986.

Extension or renewal of the Arrangement will hinder the further development of important sector.

FACT 1

Due to the expansion of the worldwide PC [personal computer] market and the conversion of consumer electronics to digital format, foreign-based semiconductor have become indispensable components in Japanese-made products: e.g., foreign-based semiconductors obtained a 78% share of the Japanese MPU (microprocessor unit) market in 1994.

This typifies current reality of a global industry in which companies select specific areas of specialization to

enhance their competitiveness. It is, therefore, unlikely that any one company or country can dominate the world semiconductor market as a whole.

FACT 2

Over the past ten years, other markets have grown substantially, while the relative size the Japanese market has declined. Therefore, the Arrangement, which deals only with Japan, no longer reflects the current realities of the global semiconductor market.

FACT 3

The Semiconductor Arrangement was introduced as a temporary measure in 1986. It does not grasp the significance of semi-finished and finished products, which have increased dramatically in importance over the past ten years. An ever-increasing number of semiconductors are internationally traded as components of these products. Examples of joint-manufacturing agreements between Japanese and U.S. firms include: Hitachi-Texas Instruments, Toshiba-Motorola, Fujitsu-Advanced Micro Devices.

Japanese imports of Lap-Top Personal Computers have Grown Almost 3000% Since 1988

Year	Growth (percent)
1988	100
1989	141
1990	260
1991	243
1992	307
1993	880
1994	1,041
1995	2,995

Source: Japanese Ministry of Finance Contact: American Division, International Trade Policy Bureau, MITI Tel "81-3-3501-1094, 1095 (direct) Fax "81-3-3501-5871 E-Mail: jghe@miti.go.jp

Tokyo, Washington Subcabinet-Level Chip Talks Slated 13-14 Jul

OW0307125296 Tokyo KYODO in English
1205 GMT 3 Jul 96

[FBIS Transcribed Text] Tokyo, July 3 KYODO — Japan and the United States will hold subcabinet-level talks on semiconductor trade July 13-14 in Christchurch, New Zealand, government officials said Wednesday.

The officials at the Ministry of International Trade and Industry (MITI) said discussions will focus on whether to extend the existing semiconductor trade pact due to expire at the end of July.

The meeting will precede a trade ministers' meeting of the Asia-Pacific Economic Cooperation (APEC) forum set to open July 15.

Semiconductor trade will also be discussed by cabinet ministers of Japan and the United States during the APEC session, the officials said. Yoshihiro Sakamoto, vice MITI minister for international affairs, will represent Japan at the subcabinet-level talks.

Ira Shapiro, senior council in the office of the U.S. Trade Representative, will lead the U.S. panel, the officials said.

The officials, meanwhile, said Japan and the European union will hold working-level negotiations on the issue in Tokyo on Monday.

The session will be followed by similar negotiations between Japan and the U.S. on Tuesday and Wednesday, they said.

Tokyo To Convey Concern Over U.S. Bill on NEC Supercomputer Deal

OW0307041396 Tokyo KYODO in English
0244 GMT 3 Jul 96

[FBIS Transcribed Text] Washington, July 2 KYODO — Japan's ambassador to the United States will write to Senate leaders next week to express Tokyo's concern over a House of Representatives bill that would bar public-sector purchases of a supercomputer from NEC Corp. of Japan, a Japanese diplomatic source said Tuesday.

Ambassador Kunihiro Saito will point out that the bill goes beyond normal procedures under U.S. antidumping law that require presentation of reasonable evidence for dumping charges, the source said.

The House passed a 1997 appropriations bill for the National Science Foundation last week that includes a section effectively preventing the federal research body from buying the NEC supercomputer.

Although it does not specify NEC, the section prohibits salary payments to personnel that approve a contract for buying any supercomputers determined by the Commerce Department as being sold below a fair market price.

The Senate is to begin deliberations on its version of the appropriations bill, which congressional officials said currently does not include the section in question.

The Japanese source said, "it's really shocking (to see such a move contradicting) the U.S. trade policy against Japan, which has been placing transparency of government procurement as its mainstay."

The section in the House bill was added by two democrats on the House Appropriations Committee, including David Obey of Wisconsin, which is home to leading U.S. supercomputer maker Cray Research Inc.

The Commerce Department has been tacitly pressing the foundation to drop voluntarily a contract it awarded in May for the NEC supercomputer despite repeated prior warnings over dumping.

NEC has denied the dumping allegations.

The foundation awarded the contract to a U.S. company that offered a system based on the NEC machine. It will be used to help scientists at the National Center for Atmospheric Research develop advanced climate simulations.

Cray and Fujitsu Ltd. of Japan also bid for the project.

The NEC deal made headlines as the first U.S. Government purchase of a Japanese supercomputer.

Japan: Governor Ota, Diet Members in 'Heated Exchange' Over Bases

OW0207122396 Tokyo KYODO in English
1141 GMT 2 Jul 96

[FBIS Transcribed Text] Naha, Japan, July 2 KYODO — A group of House of Representatives committee members engaged in a heated exchange with Okinawa Gov. Masahide Ota on Tuesday over the huge presence of U.S. forces in the southernmost island prefecture, officials said.

The 21 members of the lower house committee on security, led by Masuo Matsuoka, member of the main opposition Shinshinto (New Frontier Party), planned to have a discussion with Ota and prefectural officials on base consolidation during a fact-finding mission, but sparks ignited in the meeting.

Ota said that after World War II, Okinawa fell under the control of the United States and charged that no progress has been made toward a reduction of the U.S. presence on the island and that there is little consideration in the central government toward sentiments of the people of Okinawa, the officials said.

Committee member Shingo Nishimura, also a Shinshinto member, countered by saying the land of owners who refuse to renew leases for their land that is used by U.S. military facilities in Okinawa is about 0.2 percent of the total land area occupied by U.S. bases there.

Ota asked the lawmakers why the central government places such a low priority on Okinawa, as committee members and prefectural officials exchanged barbs and charges.

The heated exchange came on the heels of the refusal of Ota on Monday to comply with a "recommendation" from the central government to act as a proxy to authorize documents needed for the forced renewal of a lease for a U.S. military facility in the Okinawa village of Yomitan.

Japan: Hashimoto Issues 'Order' for Okinawa on U.S. Base Land

OW0307035696 Tokyo KYODO in English
0237 GMT 3 Jul 96

[FBIS Transcribed Text] Tokyo, July 3 KYODO — Prime Minister Ryutaro Hashimoto issued a stronger request Wednesday to Okinawa Gov. Masahide Ota that he take required steps to renew a lease for a tract of land within a U.S. military facility in the southwestern island prefecture.

Hashimoto mailed a document "ordering" Ota to comply with the request, following the governor's refusal of the premier's initial request and an ensuing "recommendation," officials said.

The time-consuming procedures the central government is taking against the governor are based on the local autonomy law.

If Ota refuses the "order," as is likely, Hashimoto will have to file a lawsuit against Ota forcing him to comply with the request.

Tokyo is asking Okinawa to publicize a government paper pertaining to a plot of land inside the U.S. Navy's Sobe communications facility in the village of Yomitan.

The forced lease for the land expired at the end of March, and the central government wants to renew the contract to secure use of the land for the U.S. military.

Posting of the official paper is necessary before Tokyo can obtain approval from a local land expropriation committee to continue the lease.

Ota earlier said in explaining why he is refusing the request that the return of the Futenma air base agreed by both the U.S. and Japanese Governments and its transfer to other locations within Okinawa are "far from the satisfaction of the Okinawa people."

Tokyo, Washington Give Up Heliport Transfer to Ammo Site

OW0307053296 Tokyo KYODO in English
0210 GMT 3 Jul 96

[By Fumikazu Yoshida and Kohei Murayama]

[FBIS Transcribed Text] Washington, July 2 KYODO - Japan and the United States have dropped the Kadena ammunition storage area from a list of options for relocating a military heliport in Okinawa prefecture, U.S. and Japanese officials said Tuesday.

But the two nations remain at odds over where to move the heliport currently at the U.S. Marine Corps' Air Station Futenma, with Tokyo wanting it shifted to Kadena Air Base, north of Futenma, and Washington opting for some other U.S. base in Okinawa, Japan's southernmost island prefecture.

The heliport issue could put a damper on the agreed return to Japan of the Futenma air station as the Okinawa prefectural government, which wants the U.S. military presence reduced, is continuing to resist any relocation of the heliport within Okinawa.

Referring to an unused plot of land in the Kadena ammunition storage area, a U.S. Defense Department official said, "that is where we thought we would relocate" the heliport.

The Kadena storage area is under the control of Kadena Air Base in the town of Kadena, southern Okinawa, but is actually located in Yomitan, a village some distance away.

In Tokyo, a senior defense agency official said Japan has formally conveyed its opposition to the U.S. Proposal for relocation to the storage area.

The Okinawa prefectural government has strongly protested the proposed shift of the heliport to Yomitan, arguing that heliport would cause environmental problems. Some 5,000 local citizens staged a rally against the plan in May.

Acknowledging Okinawa's concerns, the Pentagon official said the U.S. will look at other options if the ammunition storage site "is not favorable to the Government of Japan."

But the official rejected the Japanese insistence on moving all facilities, including the heliport, to Kadena Air Base. "It is just impossible," he said.

Operating helicopters along with fighters and heavy-lift planes poses safety problems at Kadena Air Base, where there is also not enough space, he said.

The Japanese defense official conceded that Tokyo is still urging Washington to consider transferring the heliport to Kadena Air Base.

Meanwhile, Japanese Government sources said the U.S. has proposed two U.S. Marines bases — Camp Hansen and Camp Schwab — north of Kadena as options along with the storage area for moving the Futenma heliport.

But those other options are also expected to invite strong resistance in Okinawa prefecture.

"What we'll do is look at different areas of Okinawa that are U.S.-administered land already....It would be almost counterproductive to look for some new land that is not under U.S. Administration," the Pentagon official said.

Even so, Tokyo and Washington would face a tough task of selecting an alternative site within U.S. bases in Okinawa for a new heliport, for which the U.S. is seeking a minimal, but reasonable size to maintain the current operational capabilities.

A U.S. Government source said a new heliport will be smaller than the existing one in Futenma, which has a 2,800-meter runway. The new one would have a runway of some 1,500 meters only, the source said.

The source said a 1,500-meter runway is needed for helicopters heavily loaded with troops and weapons as they need to take off horizontally rather than vertically.

In April, Tokyo and Washington agreed to return the Futenma air base in five to seven years as the pillar of their agreement to reduce the land occupied by U.S. military facilities in Okinawa prefecture by about 20 percent.

To meet the purpose, the two nations agreed to construct a heliport in another existing U.S. base in the prefecture, which was to be selected later, and to build additional facilities at Kadena Air Base.

They also agreed to transfer KC-130 Hercules refueling aircraft based at Futenma to the U.S. Marine Corps' Iwakuni base in Yamaguchi prefecture, western Japan, and as many Harrier attack planes from Iwakuni to the U.S. in exchange.

The Japanese and U.S. Governments plan to hammer out concrete measures for the agreed relocation of U.S. military facilities in Okinawa in November through their joint action committee.

The panel was established last November, following the rape of a local schoolgirl in Okinawa by three U.S. servicemen which has triggered nationwide calls for reduction in the heavy U.S. military presence there.

Japan: Okinawa Referendum on U.S. Bases Set for 8 Sep

OW0307055496 Tokyo KYODO in English
0426 GMT 3 Jul 96

[FBIS Transcribed Text] Naha, Japan, July 3 KYODO — Okinawa Gov. Masahide Ota said Wednesday his government will call a referendum Sept. 8 to ask local residents whether they support a reduction in U.S. bases in Japan's southernmost island prefecture.

Ota revealed the date in answering questions during a prefectural assembly session.

The referendum, he said, would be "an opportunity for every single Okinawa resident to become aware of the situation in the prefecture and to think about its future."

He said the prefectural government will launch a campaign to maximize voter turnout in the poll, but refused to predict how many would vote.

Organizers were eager to hold the referendum before regular defense talks between Japan and the United States in late September, which will take up the base issue.

Original plans to schedule the referendum for Sept. 1 were dropped for fear that voter turnout would be low on this last Sunday of the summer holiday season.

Sept. 15, which is celebrated as the respect for the aged day, was ruled out to avoid a clash with national holiday events.

The referendum was initiated by the Okinawa branch of the Japanese Trade Union Confederation (RENGO), Japan's largest labor organization, with a petition of 34,500 signatures.

About 75 percent of all land used by the U.S. military in Japan is concentrated in Okinawa prefecture, although the island prefecture makes up only 0.6 percent of Japan's total land area.

Under an agreement reached in April between Japan and the U.S., the U.S. military will vacate some 20 percent of the land it now occupies in Okinawa.

Japan: Ota To Explain Okinawa 'Suffering' to Supreme Court 10 Jul

OW0207131996 Naha OKINAWA TIMES in Japanese
2 Jul 96 Morning Edition p 1

[FBIS Translated Text] Tokyo — Regarding a proxy signing lawsuit over forceful use of land for U.S. military bases, an official decision was made on 1 July to give Governor Masahide Ota a chance to explain his opinion during oral proceedings at the Grand Bench of the Supreme Court (Judge: Tatsu Miyoshi) on 10 July.

Three parties — the prefectural government, the central government, and the supreme court — held a meeting on the afternoon of 1 July and agreed to give him about 15 minutes to speak. Pointing out the current situation, in which U.S. military bases are concentrated in Okinawa even after Okinawa was returned to Japan, Governor Ota will explain to all 15 supreme court judges the legitimacy of refusing proxy signing that is linked to allowing the military bases to take roots.

Kiyomitsu Nakano, chief of the lawyers team for the prefectural government, together with other lawyers and prefectural government officials, held a press conference after the three-party meeting and said: "The Supreme Court accepted most of our requests such as the governor's making a statement and the time allocation. We ask Governor Ota to speak to his heart's content about how the Okinawan people are actually suffering from the existence of the military bases at the Grand Bench of the Supreme Court."

Oral proceedings scheduled for 10 July will be held for two hours from 2:00 PM (0500 GMT). At the beginning, lawyer Nakano is to confirm the ground for a final appeal and explain the points they will argue. Following this, the governor will make a statement. After this, nine representatives from the lawyers for the Okinawa side will briefly explain major points of the ground for an appeal for 10-15 minutes respectively.

It is likely that the government side will merely submit the written answer and will not make a new statement. Except for a 15-minute break, most of the 100-minute oral proceedings will be spent on the Okinawa side's assertion. The lawyers' team will assert Okinawa's position with emphasis on the realities of damages resulting from the existence of the military bases, on insufficiency of hearing at the Naha Branch of the High Court, and on how local administration should be.

The lawsuit was first handled by the Third Petty Bench of the Supreme Court composed of five judges, but it was transferred in May to the Grand Bench of the Supreme Court composed of all the judges.

Japan: Editorial Supports Okinawa Rejection of U.S. Land Leases

OW0307101896 Naha RYUKYU SHIMPO
in Japanese 2 Jul 96 Morning Edition p 5

[Editorial: "Cheap Tricks Do Not Work in Okinawa"]

[FBIS Translated Text] In connection with the administrative procedures for the forcible use of part of the land used by the Sobe Communication Facility, where illegal occupation by the national government has continued since April, Governor Ota rejected Prime Minister

Hashimoto's formal request to undertake the procedure of public notification and circulation [kokoku juran] of land documents on behalf of the national government, following his earlier refusal to undertake proxy signing of land leases.

The government is expected to issue an "order" signed by Prime Minister Hashimoto to Governor Ota to perform this task by 3 July. Although the present situation is slightly different from that when proxy signing was rejected, in terms of the basic conditions in Okinawa — for instance, the situation of the bases, the Okinawans' everyday life, and prospects for Okinawa's future — it can justly be said that nothing has really changed. Under the present situation, where a direction for the ultimate solution has not been given, and a concrete timetable agreeable to the Okinawans has not been indicated, it would be hoping too much to expect the governor to reverse his decision. Moreover, this will be quite impossible to do for a governor who works under the mandate of the Okinawan people.

During a news conference on 1 July, while Governor Ota showed appreciation for the interim report of the Japan-U.S. Special Action Committee on Okinawa (SACO), the agreement to return Marine Corps Air Station [MCAS] Futenma and other U.S. military sites, and the creation of a consultative body between Okinawa and the national government, he said: "If it is at all possible, I would like to cooperate in line with the government's request. However, the situation today, 24 years after reversion to Japanese administration, is still bad. Considering the Okinawan people's discontent, I cannot comply." He also stated: "The local governments object to the agreement to return bases with the condition of relocation attached." He further indicated that, "I have no intention at all to impair relations with the national government."

The national government and Prime Minister Hashimoto should show more understanding for the difficult position of Okinawa's governor, who is torn between the national government and the Okinawan people.

Definitely, both former Prime Minister Murayama and incumbent Prime Minister Hashimoto indicated that they "fully" understand "the Okinawan people's sentiments, and the situation in Okinawa in the 50 years after World War II." Yet, they assert that the Japan-U.S. security alliance is important not only for Japan and the United States, but also for stability and security in Asia and the Pacific; that providing military bases under the Status of Forces Agreement is a national obligation; and that this is in Japan's national interest. They have merely tried to shuffle the bases around aimlessly to

impose them on Okinawa, under the basic premise that the bases' functions need to be maintained.

What the Okinawan people want are complete plans for the consolidation and reduction of bases, and a firm time schedule for this process, to enable Okinawa to plan for its future. They do not need any detached sympathy and understanding for the bases, as well as for the heavy burden, in the form of damages from the bases, that they have been forced to bear. It should be known that the damaging effects of the national government's discriminatory policy on Okinawa in the 50 years after the war can never be remedied by simply understanding Okinawa's feelings.

The final report of SACO, which is working on the consolidation and reduction of U.S. bases, is still to be issued. Yet, as the issue of MCAS Futenma's return illustrates, this final report can hardly be expected to bring a final solution to the bases issue in Okinawa. Like in the treatment of cancer, the MCAS Futenma solution is like transplanting a cancer that has just been removed to another part of the body. This is tantamount to abandoning Okinawa, which is in a critical stage of an illness.

Although the "Elephant's Cage" is in another part of the island, it is still an integral part of Okinawa. The government is reportedly preparing to use a new scalpel — special legislation. Playing cheap tricks will only make Okinawa's condition worse.

Japan: U.S. Missile-Tracking Vessel Plying Japanese Waters

*OW0307060896 Tokyo KYODO in English
0416 GMT 3 Jul 96*

[FBIS Transcribed Text] Yokosuka, Japan, July 3 KYODO — An American missile-tracking ship has been operating off the coast of Japan since April, defense agency and U.S. military sources said Wednesday.

The observation island was sent to waters near Taiwan in March to monitor China's ballistic missile tests off Taiwan. But there is speculation that the ship is now being used to monitor alleged missile development in North Korea.

The ship is the only vessel in the world to have a radar system which can collect data on ballistic missile tests, the sources said.

It first arrived in Japan on March 30, berthing in a U.S. military facility at Yokohama port, southwest of Tokyo. It set sail again April 23.

By the end of June it had gone on several trips, each lasting 10 to 20 days, interrupted by four port calls in Kanagawa prefecture.

A spokesman for the U.S. naval base in Yokosuka, Kanagawa prefecture, said the port calls were for routine repairs.

A U.S. military source, however, said the observation island had been deployed in the Sea of Japan in an area stretching from North Korea to the southern part of the Russian Far East.

Sei Sawada, head of a civic group which monitors U.S. military activities in Yokohama, speculated that the vessel was observing North Korean military activities.

"This ship has never made so many consecutive port calls before and three electronic reconnaissance planes from the U.S. Air Force, which are apparently connected with the ship's activities, flew to Misawa base (in northern Japan)," he said.

The observation island is operated by the U.S. Navy for the U.S. Air Force intelligence command.

Japan: U.S. Nuclear-Powered Submarine Enters Port in Okinawa

OW0307065296 Tokyo KYODO in English
0631 GMT 3 Jul 96

[FBIS Transcribed Text] Naha, Japan, July 3 KYODO — The U.S. nuclear-powered submarine Asheville entered White Beach in Katsuren, immediately north of Naha in Japan's southernmost Okinawa Prefecture, on Wednesday.

This is the first such port call in the prefecture by a U.S. nuclear-powered submarine since last Friday and the 10th overall this year.

After remaining in port about 30 minutes, the 6,080-ton Asheville, with a crew of 130 on board, left the port.

The exact purpose of the port call is not known, according to the Japanese Foreign Ministry.

Japan: Officials Discuss Security Issues

OW0207150996 Tokyo GAIKO FORUM in Japanese
20 Jun 96 pp 24-39

[Discussion by Masahiro Akiyama, director general, Defense Agency Defense Policy Bureau; Yutaka Kawashima, director general, Foreign Affairs Ministry Foreign Policy Bureau; and Tadashi Nishihara, professor, National Defense Academy; moderated by Kazuyoshi Umemoto, chief, Foreign Affairs Ministry

Japan-U.S. Security Treaty Division: "Discussion on Security for the 21st Century"; held 13 May 1996]

[FBIS Translated Text] U.S.-Japan Joint Declaration Was Timely

[Umemoto] President Clinton visited Japan between 16 and 18 April. On 17 April, the U.S.-Japan summit was held, a joint press conference followed, and the "U.S.-Japan Joint Declaration on Security" was announced. On the issue of how to manage U.S.-Japan security into the 21st century, when Prime Minister Murayama visited the United States in January last year, he had a meeting with President Clinton in Washington, D.C. They discussed how to strengthen the U.S.-Japan dialogue in regard to the U.S.-Japan security structure in the post-Cold War era; the management of the U.S.-Japan alliance; and, further, how to interpret the post-Cold War security situation. Since then, U.S. and Japanese officials have been holding discussions. In the meantime, because the special agreement on host nation support was coming to the end of its five-year term, negotiations for a new special agreement were held.

During the period when preparatory work was going forward for the summit, which was originally scheduled for last November, a very unfortunate incident occurred in Okinawa last September. Triggered by that incident, public interest in the issue of U.S. bases in Okinawa and, further, the U.S.-Japan security structure itself have greatly increased. In such circumstances, the dialogue has continued. The November Presidential visit was postponed due to the domestic situation in the United States. On the other hand [in Japan], the "New Defense Outline (Defense Plan Outline for Heisei 8)" was put together.

As for Okinawa, a special action committee was formed in November. Since then, U.S.-Japanese talks have been held on base consolidation and reduction and on various other issues concerning the Status of Forces Agreement. The summit was held in April. Just prior to that, Defense Secretary Perry came to Japan and held meetings with the foreign minister and the Defense Agency director general. On that occasion, the so-called special action committee made an interim report. Further, the complete return of Futenma Airfield, which Prime Minister Hashimoto and Ambassador Mondale had agreed on, was inserted in the picture. In such a flow [of events], the U.S.-Japanese joint declaration on security was made.

Now then, I would like Mr. Nishihara to begin by telling us briefly his feelings about the significance of and the reaction to the presidential visit and the joint declaration on security.

[Nishihara] I think the timing was very good. Tension had risen when the North Korean (Democratic People's Republic of Korea) forces began moving troops, ignoring the Demilitarized Zone at the 38th parallel on the Korean peninsula. There were also tensions between China and Taiwan surrounding the Taiwan Strait, and between China and the United States. With such tensions in the background, the public came to realize that there were still many unstable factors in East Asia. It was good timing that the Clinton-Hashimoto meeting was held against such a background.

Another factor was that, finally, with this joint declaration, Japan has come to be able to act as a [U.S.] ally (I doubt the propriety of the word, but...). The expression is used in the declaration that, if an emergency occurs in its vicinity, Japan is to cooperate and investigate with the U.S. Forces. This is unprecedented and epoch-making event. I even think that this might be the most important declaration since 1960.

On this point, South Korea and China expressed their concerns. I do not think it is a serious matter for South Korea. However, I can understand why China interpreted it as a matter for concern. In Southeast Asia, due to the concern about China's potential threat, they recognize that the presence of U.S. Forces in Asia and the Western Pacific Ocean region is important for them too. In this sense, I think that this joint declaration would be accepted by all countries [in the region] with the exception of China.

[Umemoto] You said that it could be the most important declaration since 1960. There is discussion among the Japanese public whether this is a "redefinition" or a "reconfirmation" of the U.S.-Japan Security Treaty. I think the people have different opinions as to what degree the U.S.-Japan security structure has changed. I would like to hear from Bureau Director Kawashima as to how he views this.

[Kawashima] The question of "redefinition" or "reconfirmation" of the Security Treaty aside, without doubt the situation in which Japan is placed has changed greatly when compared to the sixties. That was brought about by the end of the Cold War. However, because the "end of the Cold War" has been overly used ever since, its significance may have been lost.

Frankly speaking, I think that the situation in Asia, where Japan is situated, has greatly changed. As for positive aspects, the ideological confrontation or sense of tension reflected in the Cold War have dissipated, and a large number of countries are citing "pursuit of prosperity" as their most important and common agenda. It is clear that a movement is emerging to strengthen the relationship of mutual dependency within the region for

that end. Also, there is a current of thinking that peace is very important as a major precondition for the pursuit of prosperity under a market economy.

However, it is not the case that, because everyone is pursuing prosperity, we do not have to worry about security. There are enough uncertain factors concerning the future, and factors that could raise tension remain, as witnessed since the beginning of this year up until today. In such circumstances, what has not changed is that Japan continues to try to maintain a deterrent force for Japanese security by steadfastly adhering to the U.S.-Japan Security Treaty and also that the United States remains in this region.

There are still some arguments in Japan surrounding the post-war peace. Some people hold the views that we could be pulled into trouble [because of the alliance with the United States], that we are servile to the United States, or that we are unwillingly involved [in the security alliance] because we have been pressured by the United States. However, for Japan's security and peace and prosperity, which are premised on peace in the Asia-Pacific region where Japan is located, the relationship that has U.S.-Japan security as its basic framework is extremely important. This may sound commonplace, but I firmly believe it.

[Umemoto] As for the international situation in the post-Cold War era, some people ask why security [arrangements] and defense are important now that the Cold War has ended. There are also many arguments such as the one that it is more dangerous [now] because various problems, which were bottled up during the Cold War era, are now coming to the surface. As for the U.S.-Japanese dialogue, which produced the U.S.-Japan Joint Declaration on Security and also concerning the adjustment that led to the formulation of the "new outline for defense" last November, there were all kinds of arguments. Director General Akiyama, you have participated from the start in the U.S.-Japan security dialogue and also played a central role in the government on the "new defense outline." What do you think about the military situation that surrounds Japan in the post-Cold War era, or about the significance the U.S.-Japan Security Treaty has on Japanese defense?

[Akiyama] Frankly speaking, when the U.S.-Japan summit, which had been scheduled for last November was canceled, I thought, "We are in trouble." As one of the officials who had worked on the dialogue for one to two years, I felt that the visit's cancellation was really regrettable.

However, as I look back now, both governments have been discussing the issue very rationally. The accumulated result of discussions is, for instance, reflected in

the "new defense outline," in which the U.S.-Japan Security Treaty's significance is clarified. In contrast to the former outline, in the "new defense outline," we were able to appeal to the people of both countries fairly clearly on the necessity of the U.S.-Japan security structure — characterized in the past as the two wheels of a vehicle — particularly the U.S.-Japan security structure in the post-Cold War era. Responding to this outline, about six months later, the "U.S.-Japan Joint Declaration on Security" was announced by the heads of the two countries. Looking at it now, such an order [of events] was better. In this "U.S.-Japan Joint Declaration on Security" coming out six months later, the two countries reconfirmed and made an appeal on the importance of the U.S.-Japan Security Treaty into the 21st century. At that point, they were able to make the appeal in a way that corresponded well to the security environment in the Far East. Concerning this environment, various debates are now emerging. I feel that it was a very good thing that, including the Okinawa issue — although this may be an issue in its own right — we were in so many ways able to seek the Japanese people's understanding on U.S.-Japan security issues.

"Reconfirmation" or "Redefinition?"

[Nishihara] For the government, is the work this time that of "reconfirmation" or "redefinition?" I think these two have slightly different meanings. In other words, "reconfirmation" would simply mean that [it stresses] the importance of the previously existing elements [of the security treaty], but "redefinition" would have a slightly different meaning.

[Akiyama] The government says now that it is a "reconfirmation." The reason is that everyone knows that the U.S.-Japan security structure itself certainly started under the Cold War [structure] and that it [the U.S.-Japan security structure] was useful for the defense of Japan and the stability of countries around Japan. However, after the Cold War ended, the biggest concern for both the Japanese and American people was what the U.S.-Japan security structure would become. After all kinds of discussion, we have come to "reconfirm" that the U.S.-Japan security structure is more important than ever for the defense of our country and for the stability of the region around Japan.

However, I think I can agree if someone points out that from during the Cold War to after the Cold War, the U.S.-Japan Security Treaty's function might have changed. I believe that some people are calling it a "redefinition."

I have a slightly different opinion than calling it a "redefinition." In short, the U.S.-Japan security structure itself, topped by the treaty, has not changed at all. What

we can say is that because the environment has changed the management or relative importance of objectives has changed. I think the word "reconfirmation" does just fine. Of course, even if others call it a "redefinition," I would not be driven crazy with anger.... (laughter).

[Nishihara] One significance of this "joint declaration" is that the wording, to the effect that in time of emergency around Japan or in the Asia-Pacific region, there is a possibility that the United States and Japan will respond in a cooperative manner, falls between Security Treaty Articles V and VI. So I feel it is an Article 5.5. In that sense, it has a new meaning. So for me, "redefinition" is easier to understand.

[Kawashima] However, the treaty's makeup has not changed at all. So in that sense, the arrangement has not changed. I do not understand what you mean by Article V. It has long been the case that the U.S.-Japan Security Treaty's framework is important for the security of the broad Asia-Pacific region. It is precisely because of the Security Treaty's existence that the United States maintains its presence in this region. And, in turn, it is widely useful to the security of the entire region, and its importance has increased more and more. However, I do not think its characteristics have changed.

And, what to do in time of an emergency in the Far East, the so-called Article VI situation, or how to respond to an Article V situation, I do not think have changed from the past. I have been asked from time to time if the [Far East] has extended to the Asia-Pacific region or not, in view of the application to an expanded region. However, even if the situation to which we must respond may have changed since the Cold War era, the framework or system will not have changed.

[Akiyama] I agree with Mr. Kawashima. The system has not changed, and, in fact, the speeches by our leaders, the prime ministers, concerning the U.S.-Japan Security Treaty, especially in connection to its relationship to the Asia-Pacific region, have been consistently the same.

However, take the "guidelines" (for U.S.-Japanese defense cooperation, see appended material) for example. Of clauses I, II, and III, we should expand our discussion on clause III. It is the so-called study of an emergency in the Far East. Even now, an emergency in the Far East is included in writing. However, it has never been studied. In the future, clauses I and II will be followed up on, but areas such as clause III will hold considerably greater importance. I think the relative importance is changing.

[Nishihara] I think it was understood that Article V meant that, when Japan was attacked, Japan would respond with the United States; and Article VI meant

that, when something happened in the Far East, basically the United States would respond. The declaration this time puts it that when something happens in the Asia-Pacific area, depending on the situation, the United States and Japan will cooperate. I feel that this operation Japan is to take on goes a little beyond Article V.

[Akiyama] To be accurate, "how to provide facilitation for U.S. Forces in Japan" is already included in clause III of these guidelines. [It deals with] how, primarily through the Self-Defense Forces [SDF], Japan can facilitate U.S. Forces stationed in Japan. Japan's support measures are also included here. So it already exists as a plan. It just has not been carried out.

[Kawashima] In other words, as Mr. Nishihara mentioned, that is the section about which China, for instance, feels some resistance. That is because there is an image that the United States and Japan will jointly expand into the Asia-Pacific area. Frankly speaking, it means that if [they think that] the SDF is to be deployed to various regions in Asia with the U.S. Forces, there is naturally a cautious reaction.

However, that is a misunderstanding. It is not that we will actually take some action in the future. Instead, it means that we will have a mechanism for how to cooperate with the U.S. Forces and for how much we can facilitate their activities during an emergency in the Far East. The work we must attend to from now on is to grope for the possibility of how to support the U.S. Forces stationed in Japan. I think that will be the core of the work.

[Akiyama] Exactly as Mr. Kawashima just said, the explanation we give to China is that, as we are saying now, "the scheme has not changed. What we said has not changed. The relative importance [of these things] could change, because the environment has changed." However, China is apprehensive and suspects that our scheme has changed and our policy line has changed.

Earlier, Mr. Nishihara said that it was not serious that South Korea was worried. However, South Korea is clearer. In an emergency in South Korea or on the Korean peninsula, they would ask for help from the U.S. Forces, but they have no intention of seeking help from Japan. This is a popularly held sentiment there. Therefore, they are greatly interested in what these guidelines will enable the United States and Japan to do.

However, the actual situation is that we are not going to dispatch the SDF. Where we are is at the level of discussion of such things as whether or not we may supply water and petroleum products when we assist the U.S. Forces stationed in Japan. These days, we hold

Japanese-Korean defense leadership conferences and at those conferences we clearly inform them of the facts. They [the South Koreans] provided a positive evaluation of the reconfirmation of the U.S.-Japan Security Treaty once they understood the actual situation.

[Kawashima] I want to consider how the Japanese people interpret the defense issue. To put it very simply, defense discussion in the post-war era has been in the form of an exchange of arguments pro and con on deterrence. In other words, the government took the position that for Japan's security, the maintenance of deterrence was indispensable, hence the SDF and the U.S.-Japan Security Treaty [were necessary]. Against this assertion, there was another argument that said that the deterrence itself was dangerous and could again lead Japan down the road to war.

In fact, it is questionable even now whether this debate has really been concluded or not. Some people point out that the reason various defense studies have not been conducted was the sensitivity of such arguments on defense.

[Nishihara] I think you are right. One of the arguments for opposing [renewal of] the U.S.-Japan Security Treaty in 1960 was that Japan could become drawn into international wars that involved the United States. But the fact that Japan has not even once been involved in a war in the past 30 some years provides evidence that, to the contrary, the Security Treaty played a restraining role in keeping Japan from getting involved. However, it is not possible to provide proof. So I want the Japanese people to witness other countries, the Iraqi invasion of Kuwait for instance, and to increase their awareness that the presence of a power vacuum heightens international tensions.

New "National Defense Program Outline" Compiled Last Year Is Significant Watershed

[Umemoto] Discussions took place on that issue last November regarding the defense outline. Discussions have taken place over many years, since the informal Higuchi meeting, on the issue of what Japanese defense power should be following the end of the Cold War. I think that to grope for the defense power's role in the new international situation since the end of the Cold War constitutes the reverse side of the coin as we now look at the U.S.-Japan security structure. What do you think about this, Mr. Akiyama?

[Akiyama] I think this is closely connected with that argument. I can cite several characteristics found in the "New Defense Outline."

First, as I said earlier, it sets forth "reconfirmation" of the U.S.-Japan security structure under new circum-

stances, the clear role of that structure in Japanese defense policy, and various measures to increase trust in the future U.S.-Japan security structure. Also, the fact that it was possible to make such a statement itself was due to a change in the situation.

The second point is that — and it is very important for the Defense Agency — the idea of so-called basic defense power improvement should fundamentally be followed. In fact, this is a very important element for the improvement of defense power. I think this is a significant point that we must mention.

Third, the Cold War has ended; the world situation is moving radically; and, at the same time, expectations for the SDF's role are mounting inside and outside Japan. So, as for the role of Japan's defense power, in addition to repelling aggression if Japan is invaded, we elected two [as published] new pillars along with the pillars of a defensive role. One pillar is a response to various situations such as a large scale disaster. For instance, this would include a response to incidents including those like the sarin incident. Another pillar is an appropriate response to situations that might not involve a direct attack on Japan, but one against Japan's neighbors that would seriously affect Japanese security. The third pillar is — this is connected to foreign relations as well — a contribution to the construction of a so-called stable security environment. This is the promotion of security dialogues and defense exchanges and cooperation in the arms control and arms reduction fields. The fact that the cabinet decided that such contributions as peace-keeping operations and humanitarian international rescue activities were part of our defense role is very significant.

Last, I want to add one more point. Paying heed to various other elements, i.e., the declining youth population, the advance of science and technology, and the economic and fiscal situation that are in an extremely serious situation, we should review the structure of the Ground, Sea, and Air SDF. We should attempt to rationalize and make them efficient and compact. Though we reduce scale or quantity, we should secure enough quality and maintain elasticity. It may take 5-10 years, but we want to do it.

[Kawashima] The fact that such an adjustment in thinking is possible without too much resistance indicates progress in the movement regarding the defense argument, and, I feel, it is one of the characteristics of the post-Cold War era. The fact that the Outline included things that were not possible in the past indicates that the "new Outline" of last November is a significant watershed.

There Are Many Things We Have Not Done Under Existing Restrictive Conditions

[Umemoto] After the Cold War ended, the United States began its "bottom up review" and an effort to clarify its East Asia strategy and new defense policy a little earlier than Japan did. Japan also adjusted its thinking in the form of the "new defense outline." By clarifying their thinking in the "joint declaration on security," the United States and Japan are at the starting line of a post-Cold War security policy, which includes future management of the U.S.-Japan Security Treaty.

Now it is necessary to move forward on each specific issue. What has become an important topic as a result of the Clinton visit and following the "joint declaration on security" is that of U.S.-Japanese cooperation at the time of a so-called emergency in the Far East. I would like to hear your opinion, Mr. Nishihara, concerning in what direction this significant subject will develop. And also, what do you think about the fact that such an issue has such a high profile at this point?

[Nishihara] In the past two or three months, I feel that interest in the [subject] of an emergency has suddenly increased in Japan. This is especially notable among the political parties. Also, in the business sector, the Japanese Association of Corporate Executives has made a proposal. It was in such an atmosphere that the joint declaration was made. And an argument for a U.S.-Japan Agreement for Mutual Provision of Goods and Services has emerged. This is an indication that, in some cases, the environment has become favorable for such a discussion to take place more easily.

However, in the atmosphere of heightened interest in dealing with an emergency, a strong argument that Japan should assume the right of collective self-defense has come up. Naturally, there are opposing arguments. I think there are three ways of interpreting the Constitution in connection with emergency legislation. [One is] the current interpretation of Article IX. That is to handle an emergency within the limits of the right of individual self-defense. Another is to change the interpretation of Article IX and recognize the use of the collective self-defense right.

The other is not an interpretation of Article IX, but rather to change [the Constitution]. Those are the three categories. What the U.S. and Japanese Governments agree upon now is the first category. I think there is an aspect here whereby an argument for emergency legislation will have the opposite effect of making it harder to obtain a consensus within Japan. In this regard, I feel we must be a little more cautious in discussing emergency legislation.

[Umemoto] As for the situation regarding the application of Article V — in which Japan comes under attack — studies of joint operation plans have been conducted in the past under U.S.-Japan defense cooperation guidelines. Also, as for a so-called emergency in the Far East, some studies have been carried out although, frankly speaking, they have not made much progress.

The Defense Agency has been doing a study on the situations in which Article V applies. How will previous studies under the guidelines and the experience and awareness of the issue that have been gained through those studies be utilized?

[Akiyama] The studies that have been done under the guidelines up until now dealt mainly with the so-called clauses I and II. These involve preventing an invasion of Japan or responding in the event that Japan is invaded. Those were just studies [without follow-on], but to carry out such studies in a difficult political environment was a great accomplishment. Joint training within the U.S.-Japan security structure also has made progress. This would provide a valuable reference base in the event that the United States and Japan act jointly. Of course, there are many issues we must solve, but we have achieved some results.

However, various studies under the current guidelines have been made, but without imposing any obligations on either country, such as necessary legislative and budget measures.

And another thing. As we have talked about repeatedly, hardly any debate has taken place on our response in the event of a so-called emergency in the Far East dealt with in clause III. Although all sorts of situations are imaginable, there are obviously problems to which Japan must respond independently. In cases involving the rescue of Japanese citizens or the arrival of refugees, we could be forced to respond by ourselves. However, probably the United States and Japan would more frequently respond together. In that sense, I think, in reality, the United States and Japan would cooperatively or jointly deal with the majority of cases in which a crisis influencing Japanese security would occur. This includes the so-called emergency in the Far East or other crises.

Therefore, it is important that we anticipate every situation now, study each [case] realistically, and work a little more on substance.

But we must keep in mind the premise that those [responses] must be kept within limits that do not involve the use of the right of collective self-defense. If we can accumulate studies that would facilitate, if

necessary, a change in [constitutional] law, or new legislation, that would be a great start.

[Kawashima] There are many things we have not done, because there is the issue of how much we can do under the major premise that Japan will not use the collective self-defense right. There are many elements to which we have not attended. I think it is significant that we clarify that.

[Nishihara] As Mr. Akiyama stated earlier, when it comes to issues such as the rescue of Japanese citizens [abroad], the Japanese people would recognize the need for such action. That is fine. However, viewed from the outside, it would still give the impression that Japan would use SDF elements in that way too [they would be concerned about overseas use of SDF troops]. I think it is important to make an effort to erase or eliminate such uneasiness.

As for the rescue of Japanese citizens [overseas], the question may arise as to where such an activity could take place. On the Korean peninsula? In Kuwait? Baghdad? Will Japan actively be engaged in all rescue efforts? I think it is necessary to define which rescues Japan will be able to do and which it will not.

[Akiyama] As for the rescue of Japanese overseas — I am digressing a little — an argument can be made about whether it is right to limit such assistance only to Japanese citizens. When countries are cooperatively engaged in the effort, it might not be very good if we were to say that our law limits our rescue only to Japanese. I think such an issue is outside the limitation on the collective self-defense right. However, we must conduct the debate carefully on so-called humanitarian aid, humanitarian aid in time of an emergency. It is a delicate matter, because when the SDF takes action, they would use SDF equipment, even if it is in the name of humanitarian assistance.

The significant difference from the past is that there are now people in the government parties and among the public who argue that we should consider administrative or legislative measures if it is necessary.

[Nishihara] All sorts of studies in accordance with the guidelines have been done on dealing with an emergency. In fact, however, none have been implemented. For instance, a study merely points out that this or that portion of the law is weak and so must be changed. The internal issues involving the Defense Agency may be relatively easy to deal with, but the problem is the inter-agency issues. For such problems, political leadership will be important.

[Kawashima] There are well-known controversies that are relevant to emergencies. One involves things like

traffic laws, i.e., whether to stop at a red light in an emergency. Another has to do with laws governing the SDF and so on that determine what we can do to aid the United States under current law in a so-called Article VI situation. Yet another is what we can and cannot do in connection with a unified command so far as the issues of the use of armed force and collective self-defense rights.

[Nishihara] Even if laws are established, there is still the issue of local government ordinances. For instance, in an emergency, we will put Japanese civil airports at the disposal of U.S. Forces or the SDF. So far, the Transportation Ministry has been controlling Japanese air space. So in an emergency, the Transportation Ministry must temporarily entrust a portion of its authority to some other organization. Will it be the Defense Agency? Those measures will be necessary.

[Akiyama] As for the relationship of emergency legislation and the collective self-defense right, it is a fairly clear matter for me. In short, they should be viewed from totally different perspectives. Discussion of emergency legislation often tends to become entangled with arguments about the collective self-defense right. For example, so-called emergency legislation up until now has been to adjust the law for a circumstance in which Japan is in danger of being invaded or is invaded. This is the world of clauses I and II in the guidelines. If I may say so frankly, this is totally unrelated to the collective self-defense right, and only the adjustment of laws is required. Therefore, as for emergency legislation that has been discussed in the past, there are no constitutional problems now at issue. What is somewhat confusing is that it [emergency legislation] has become a clause III issue.

In the event of a so-called emergency in the Far East, for instance, if there is a situation in which Japan is in danger of being invaded or is being invaded, this has no relationship to the collective self-defense right issue.

The main issue is, in a situation where Japan is not invaded, whether or not assistance to the U.S. Forces is to be considered a use of armed force as part of a larger group. As for the issue of becoming part of a group force and the implication for use of armed force, the cabinet Legislation Bureau director general has answered this many times. His argument is that, if Japan is involved with a larger group using armed force, this could be seen as collective self-defense that is not recognized by the Constitution. Or it could conceivably involve deployments overseas. Here, if we are to establish or change the law, it will involve a constitutional issue. These issues have to be reconciled. The current prime minister has clearly stated that we

should not do anything outside the Constitution. I think that these adjustments must take place within that limitation. Naturally, if I cast the net wider, there are many issues such as sea lane defense and so on. However, I think that the reason matters are now in some confusion is that there are so many issues.

Northeast Asia Regional Security Is an Important Future Subject

[Umemoto] It is true that in Japan, we should study and examine the review of U.S.-Japan defense cooperation guidelines as well as the question of what should be the nature of U.S.-Japan cooperation in the event of a so-called emergency in the Far East, which will now be an important subject of the review. One more point [we should study] is, in various emergency situations, what we could do within the limits of the Constitution. How do you think these processes will progress?

[Akiyama] First, we must improve the system of study in Japan. We should create a study program that should be led by the Security Affairs Office [of the Prime Ministers Office] and other concerned ministries. The Foreign Ministry, Defense Agency, and National Police Agency would be the main participants. In addition, the Transportation Ministry and, in some cases, the Justice Ministry and others, should be included. They would then hypothetically set a specific situation and discuss what kind of response would be possible and what should be done to achieve the goals [of that response]. That is one thing.

Another is the review of the [existing] guidelines that was agreed to in the U.S.-Japan summit held in April. Around the end of this month, working level talks will be held between Foreign Ministry and Defense Agency officials and U.S. State Department and Defense Department officials. This will be a springboard for discussions between the United States and Japan.

[Nishihara] I want to touch on other aspects. As for the entire Asia-Pacific area, the Defense Agency and Foreign Ministry have also begun work on multilateral security dialogues. I think this is also important. However, one of the arguments heard in Japan is that we should terminate the U.S.-Japan Security Treaty: The Asia region should seek future stability through multilateral cooperation. I do not understand that. The current ASEAN regional forum (ARF) also has the U.S.-Japan Security Treaty as part of its base. That is why they can discuss multinational cooperation. There is a U.S. presence in the Western Pacific, and there is Japan which supports such a U.S. presence — in other words, the existence of the U.S.-Japan security cooperation structure. So other countries can hold talks with a sense of security. If the U.S. Forces were not present, they would

not have the luxury of meeting once a year for building trust. So I do not agree with such an argument [to substitute multilateral security for ties with the United States] in Japan.

Further, some people argue that, as times change, in the future we should form a four nation alliance of the U.S., Japan, China, and Russia or one akin to NATO in Europe that would replace the U.S.-Japan Security Treaty. I think this too is an extremely unrealistic argument at the moment.

So, when we think about such things, U.S.-Japan security cooperation continues to be important. I think it is desirable to keep it as the base and advance our security dialogues in a multilateral setting.

[Kawashima] I totally share your opinion. The formation of the ARF itself may be meaningful for the region, where there had never been such a movement before. However, it is hard to imagine that it will replace the U.S.-Japan Security Treaty. And to rely on the ARF, and not on the U.S.-Japan Security Treaty, would lead to the denial of deterrent power. Deterrent power has been one of the main arguments for the U.S.-Japan Security Treaty in Japan. The U.S.-Japan Security Treaty is based on the concept of securing safety through deterrence. Its characteristics are different from the security forum or from repeatedly holding dialogues to build trust. We must keep the U.S.-Japan Security Treaty as a deterrent and then, to supplement it, build trust [among countries in the region]. As a consequence, the sense of security might increase and tensions might recede. Or the defense of each country might become more transparent. However, unless we are clear about the arrangement, arguments about security will go astray. That is how I feel.

[Akiyama] I feel exactly the same. It is clear that the U.S.-Japan security structure or the presence or commitment of U.S. Forces is at the base when Japan holds multilateral security dialogues. As long as both the United States and Japan clearly recognize that [the bilateral structure] is the basis, then Japan can initiate participation in the ARF. Multilateral security dialogues, similar to that in Europe, may be a premature discussion. However, they have an aspect of being useful to building trust, so it is a good idea to pursue regional security dialogues.

As for such current discussions as those on a regional security system, I think the question of the future regional security of Northeast Asia will be a significantly important subject. I can cite concrete countries or regions: Russia, China, the Korean peninsula, Japan, and the United States. The ARF is very much focused on ASEAN. ASEAN is not especially interested in the

peace and stability of Northeast Asia. However, instability and uncertainty in Northeast Asia is quite a large and separate issue. The countries I just cited will probably begin a dialogue, and it is a subject worth discussing with those countries as to how we should maintain security in Northeast Asia. Japan too should be independently engaged in this discussion.

[Kawashima] As I watch the security discussion in the United States, I note that as a post-Cold War characteristic, for the most part, it is premised on not naming which country poses a threat or who is a potential enemy. That is also the case in Europe. So it is more difficult to answer the question, in a sense, why a security setup is necessary. At the time immediately after the end of the Cold War, when the Soviet threat had disappeared, there was an atmosphere for reexamining the horizon to see who would appear as a threat. However, as they did so, history became the textbook, and then everyone seemed to be an enemy. That was not especially productive, so they stopped pointing fingers. After all, security [arrangements] are a matter of insurance.

Reflection on and Regret at Having Discussed U.S.-Japan Security Treaty Only Between the United States and Japan

[Umemoto] As Mr. Nishihara said earlier, as for the current joint declaration on security, to say nothing of the responses from China and South Korea, Southeast Asia seems relieved because the U.S. presence is assured. Certainly since the Okinawa incident last September, the Southeast Asian countries seemed to be quite interested in the development of the Okinawa base issue, from the standpoint of the U.S. presence. When Defense Secretary Perry visited Japan, preceding the Joint Declaration on Security, a fairly concrete direction for the Okinawa base problem was set forth in the form of the interim report by the Okinawa Special Action Committee.

In the past, the base issue may have been the most important issue, along with the emergency cooperation issue. Now, interest has again increased in this issue. Moreover, in regard to post-Cold War era security, it has become a major factor. As a specialist, what is your opinion?

[Nishihara] I do not think that the United States will permanently maintain bases in foreign countries or that Japan will continue to have U.S. bases. However, in view of the Asia-Pacific region situation, for the time being, it will be very difficult for Japan to preserve its own security independently. For the United States also, it is to its advantage to maintain a military presence

in the Western Pacific. So the importance of bases is that they fundamentally suit the U.S.-Japan security structure. The government has no choice but to cause the Japanese people to consent [to their continued presence].

However, I think it is good to think about changing the nature of the bases presence. For instance, if U.S. military technology advances substantially, without the current-style forward deployment, they might be able to achieve the same goals. Therefore, in a way, I think that some problems were created when the U.S. Nye report declared that it would maintain 100,000 military personnel in the Western Pacific.

The reason is that if it reduces the number of troops, it will give an impression that U.S. credibility might be going down. I think it is better not to give a specific figure now.

As for bases in Okinawa, Futenma is to be returned in five to seven years. If we can solve this issue skillfully, I expect the relationship between the Okinawan people and the Japanese Government will improve substantially.

[Akiyama] In the past one or two years — for me, it has been since April of last year — the United States and Japan have been holding dialogues on the reconfirmation of the U.S.-Japan security structure or on the "U.S.-Japan Joint Declaration on Security." In the process, what I was — at least personally — struck by was the voice of the opposition to the U.S. bases on Okinawa, triggered by the Okinawan schoolgirl rape incident.

This was also an issue the U.S.-Japan security structure had to overcome, so we had very serious discussions with former Assistant Defense Secretary Nye, Assistant State Secretary Lord, Deputy Assistant State Secretary Hubbard, Defense Deputy Assistant Secretary Campbell, U.S. Forces Japan Commander Myers, his Chief of Staff Pace, and so on.

Of course, there are still many issues remaining concerning Okinawa, but through U.S. and Japanese efforts to overcome this issue, the two countries' security relationship, in turn, has become closer. But as you said, it is obvious that everybody would question the notion that the bases should remain in Japan permanently.

In short, we must not discuss the U.S.-Japan security structure only between the two governments without paying much heed to Okinawa, South Korea, or China. We must continue our discussions, while fully recognizing the dimensions of the influence the U.S.-Japan security structure exerts.

[Umemoto] Thank you very much.

Japan: Hashimoto Tells G-7 Leaders Significance of Security Pact

OW0207144296 Tokyo MAINICHI SHIMBUN
in Japanese 1 Jul 96 Morning Edition p 2

[By Takao Yamada]

[FBIS Translated Text] Lyon, 30 Jul — Having a chat with reporters accompanying him in Lyons on the morning of 30 June (on the evening of 30 June Japan time), Prime Minister Ryutaro Hashimoto disclosed that on the afternoon of 29 June, he explained to the other G-7 leaders the situation in Asia at the request of French President Chirac and stressed the significance of the Japan-U.S. joint statement on security.

According to the prime minister, he said: "Following the Asia-Europe Meeting (ASEM), the greatest highlight is Japan-U.S. summit talks and the joint statement released after the talks. We, too, believe that presence of U.S. forces is indispensable, and probably so does the United States. We are not 100-percent satisfied because such nations as China are increasingly on the alert over the situation. But this is the actual situation in Asia."

Japan: Article Views Impact of Lyons Summit Chairman's Statement

OW0207144496 Tokyo MAINICHI SHIMBUN
in Japanese 30 Jun 96 Morning Edition p 3

[Article by reporter Takuro Kawade: "Chairman's Statement Includes 'Endorsement of Four-Way Talks' and May Spur Resumption of Japan-DPRK Talks"]

[FBIS Translated Text] The fact that the Chairman's Statement at the Lyons Summit made reference to the Korean peninsula situation and endorsed the proposed four-way talks is likely to affect the issue of the resumption of the stalled Japan-DPRK diplomatic normalization talks, in one way or another.

Since it was initially reported that "Russia is opposed to including the Korean peninsula issue in the statement," the Ministry of Foreign Affairs [MOFA] has paid close attention to the statement's contents. As the statement is the outcome of political debate in which Russia participated, some MOFA officials believe that "since the international community has endorsed the four-way talks, the DPRK (North Korea) will find it difficult to refuse, and if the four-way talks should materialize, the issue of resuming Japan-DPRK talks would be clear of one hurdle" (as stated by a senior MOFA official).

Regarding the four-way talks and the resumption of diplomatic normalization talks, the government takes the stance that "the two are different issues: [the four-way talks] are not a prerequisite to the resumption [of the

normalization talks].” However, this is just the official story. If Japan-DPRK talks should proceed without any progress first in ROK-DPRK talks, the ROK will inevitably complain that it is being “bypassed.” For the ROK, progress in ROK-DPRK talks — even in the form of the four-way talks proceeding at the same time — is essential to the resumption of Japan-DPRK diplomatic normalization talks.

In informal talks with DPRK Foreign Ministry officials in charge of the matter, Japanese MOFA officials have explained that the DPRK’s accepting the four-way talks would have a positive effect toward the resumption of bilateral talks. In response, the DPRK has protested Japan’s linking the bilateral talks to the four-way talks, and no further progress has been made as a result.

However, the fact that the Chairman’s Statement includes “endorsement of the four-way talks” clarifies that the international community favors the four-way talks. Due to the critical food shortage and deteriorating economic conditions, the DPRK has recently shifted its foreign policy to a more realistic one that allows it to easily accept foreign aid. Some officials increasingly believe that “although this is a case that normally would have been promptly rejected, the DPRK is taking a flexible stance this time, and it may eventually concede” (as stated by a source concerned with Japan-DPRK affairs).

Should the DPRK accept the four-way talks, Japan would be able to more easily gain the ROK’s “understanding” — a matter that is Japan’s greatest concern — and there may be a big turnabout in the issue of resuming Japan-DPRK talks.

Japan: Minister Expects No WTO Talks on World Labor Conditions

*OW0207063096 Tokyo KYODO in English
0541 GMT 2 Jul 96*

[FBIS Transcribed Text] Tokyo, July 2 KYODO — The issue of standardizing world labor conditions is unlikely to go on the discussion table of the World Trade Organization (WTO) in the immediate future, Labor Minister Takanobu Nagai said Tuesday.

Nagai made the remark in response to a question at a press conference about the issue, which was discussed by the leaders of the Group of Seven (G-7) industrialized countries at their latest summit meeting in late June in Lyons, France.

The issue touches on problems of low labor standards in developing countries from two perspectives — maintaining the human rights of workers and preventing trade problems between developing and developed nations.

Developed countries such as the United States and France say some developing countries hamper developed countries’ industries by exporting low-priced products that are made available by cheap labor. These industrialized countries call for discussions at the WTO on world labor standards.

The G-7 leaders noted in their economic statement that they took up the issue during the discussions, although no concrete agreements were reached.

“The economic statement showed simply that there are countries that want to take up the issue at the WTO,” said Nagai.

He said the issue is, however, likely to be discussed first at such organizations as the International Labor Organization.

Japan has been prudent with the issue from the viewpoint that forcing developing countries to comply with world labor standards would take away their competitive edge in trade that they have attained under their historical constraints.

Japan: ASEAN Draft Communique Expected To Comment on Dec WTO Meeting

*OW0307122096 Tokyo KYODO in English
1147 GMT 3 Jul 96*

[FBIS Transcribed Text] Manila, July 3 KYODO — The Association of Southeast Asian Nations (ASEAN) is expected to set the tone for the first ministerial meeting in December of the World Trade Organization (WTO) with a statement opposing attempts by developed economies to include nontrade issues, such as corruption and human rights, on the agenda, according to documents obtained by KYODO news.

A draft of the joint communique to be issued July 21 by ASEAN foreign ministers at the end of their annual meeting in Jakarta also shows the ministers will express serious concern about attempts to link international labor standards and international trade.

The ministers will also oppose inclusion in the WTO meeting in Singapore of other issues such as competition policy and the multilateral agreement on investment.

“The foreign ministers reiterated that ASEAN should oppose any attempt to include issues which are not trade-related, such as corruption and social clauses, at the Singapore MC (Ministerial Conference),” said the nonpolitical portion of the draft communique crafted by ASEAN senior officials.

The document also says the ministers “noted that other such issues, such as competition policy, may not be

mature enough for inclusion at the MC," and that foreign ministers will "oppose the inclusion of the multilateral agreement on investment, as it stands, into the agenda of the Singapore MC."

A Philippine official said ASEAN countries are opposing the investment agreement primarily because they are not yet ready to accept its provision according national treatment to foreign investments.

The draft document also said the foreign ministers will express concern that "attempts to link international labor standards and international trade would undermine the economic growth of developing countries which in turn would affect the (economies) of developed nations."

They reiterated that the issue of international labor standards "should be discussed in the ILO (International Labor Organization) and not in other nonlabor-related fora," the draft communique said.

The ministers are also expected to support the decision to urge the ILO to review the international labor conventions, including the so-called fundamental workers' rights conventions, the document said.

They will also welcome the decision to phase-in unprocessed agricultural products into the Common Effective Preferential Tariff scheme by 2010. The CEPT scheme seeks to gradually reduce tariffs to zero as part of the ASEAN free trade agreement.

The ministers will also renew their commitment toward the realization of the East Asia Economic Caucus (EAEC), which was first proposed by Malaysia and later adopted by ASEAN as a caucus to prevent U.S. domination of the Asia-Pacific Economic Cooperation (APEC) forum.

The EAEC's prospective members are the seven ASEAN members, Japan, South Korea and China.

Meanwhile, the Foreign Ministers are expected to welcome the initiative of the ASEAN economic ministers to establish a working group to discuss the merits of having an ASEAN common time zone.

They will also issue support to the call of ASEAN tourism ministers to establish special lanes for ASEAN nationals at immigration counters, a move already made by Thailand, the document said.

Japan: Hashimoto Reiterates Support for PRC's WTO Entry

OW0307063596 Tokyo KYODO in English
0428 GMT 3 Jul 96

[FBIS Transcribed Text] Tokyo, July 3 KYODO — Prime Minister Ryutaro Hashimoto on Wednesday reiterated Japan's support for China's early entry into the

World Trade Organization (WTO), a foreign ministry official said.

Hashimoto made the remarks when he met Sun Pinghua, head of the China-Japan Friendship Association, at the premier's official residence.

The prime minister told Sun that he appealed for China's WTO entry when he attended last week's summit of the Group of Seven (G-7) industrialized nations in Lyons, France.

Chinese Ambassador to Japan Xun Dunxin, who was also present at the meeting between Hashimoto and Sun, said China is making efforts to meet conditions for WTO entry.

Japan: Ministry Official Says DPRK Regime 'Unlikely To Collapse'

OW0307112496 Tokyo KYODO in English
0932 GMT 3 Jul 96

[FBIS Transcribed Text] Tokyo, July 3 KYODO — North Korea's current regime appears unlikely to collapse in the immediate future in light of its ties with China, a high-ranking Foreign Ministry official said Wednesday.

The official, who asked to remain anonymous, pointed out that once icy relations between Pyongyang and Beijing have almost returned to normal recently.

Ties between the traditionally close allies would not be promoted that way if the situation in the North were unstable, the official said, noting that there is no sign the Pyongyang regime will collapse in the near future.

North Korea has been said to be on the brink of collapse partly because of its severe food and energy shortages.

The fact that North Korean leader Kim Chong-il has yet to assume the posts of state president and general secretary of the ruling workers party of Korea has added to uncertainties of the country's future course.

Japan: Foreign Minister Ikeda To Meet Bosnian Government Leaders

OW0207112196 Tokyo KYODO in English
0919 GMT 2 Jul 96

[FBIS Transcribed Text] Sarajevo, July 2 KYODO — Japanese Foreign Minister Yukihiko Ikeda arrived in the Bosnian capital of Sarajevo on Tuesday for talks with leaders of the former Yugoslav republic.

Ikeda, who flew in from Ukraine, is slated to meet with President Alija Izetbegovic later in the day.

In the talks, the foreign minister will notify Izetbegovic about Tokyo's decision to extend a grant-in-aid of \$2 million to Bosnia-Herzegovina as part of its efforts to support democratization in the war-ravaged country, Japanese officials said.

The money will be provided through the Organization for Security and Cooperation in Europe (OSCE), which is playing a pivotal role in preparing and implementing general elections scheduled for Sept. 14.

Ikeda will stress that the country's reconstruction hinges on "self-help efforts," which Japan hopes to encourage with its grant-in-aid, Japanese officials said.

He will also urge full implementation of the Dayton peace accord, signed in December 1995, which provides for the territorial division of Bosnia-Herzegovina into a Muslim-Croat federation and a Serb republic.

Before returning to Tokyo on Thursday [4 July], the foreign minister will also hold talks with Bosnian Prime Minister Hasan Muratovic and the European Union's peace broker in Bosnia, Carl Bildt.

Ikeda will reassure Bildt of Japanese support for the peace implementation council. Following the political talks, Ikeda will inspect reconstruction projects in the city, whose historical center was badly damaged during the civil war.

He will also visit an elementary school and meet with representatives of Japanese nongovernmental organizations active in Bosnia and Japanese experts who will act as election observers for the OSCE.

Tokyo Offers Money, Supplies in Emergency Aid to Yemen

*OW0207023696 Tokyo KYODO in English
0155 GMT 2 Jul 96*

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Japan on Tuesday authorized extension of \$100,000 and relief supplies worth about 14.98 million yen in emergency aid to Yemen, government officials said.

Flooding resulting from torrential rains in the southeastern part of Yemen in mid-June killed 167 people and caused heavy damage to the nation's farmland, livestock, houses and wells.

The relief supplies, such as tents, blankets and generators, will be provided through the governmental Japan international cooperation agency (JICA), the officials said.

Tokyo To Grant Vietnam 571 Million Yen for Reforestation

*OW0207113296 Tokyo KYODO in English
0923 GMT 2 Jul 96*

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Japan will extend a grant of up to 571 million yen to Vietnam to help it purchase reforestation equipment, the foreign ministry said Tuesday.

Officials of the two countries exchanged documents on the economic assistance in Hanoi earlier in the day, the ministry said.

The money will be used to help the Vietnamese Government buy equipment such as pumps, generators and machinery to process forest products for a reforestation project in the country's northwest, it said.

Japan: BOJ Chief Indicates Continued Easy Monetary Policy

*OW0307092896 Tokyo KYODO in English
0847 GMT 3 Jul 96*

[FBIS Transcribed Text] Tokyo, July 3 KYODO — Bank of Japan (BOJ) governor Yasuo Matsushita indicated Wednesday that the central bank will carry on with its easy monetary policy for the time being to get the economy on a firmer recovery track.

"We will continue to monitor developments in the (economic) situation, while giving priority to solidifying the ground of the recovery," Matsushita said at a news conference.

Matsushita said the central bank's regional branch managers confirmed that there is a mild economic recovery when they convened Monday and Tuesday to report the economic conditions in their areas.

"The recovery is filtering into other sectors," with non-manufacturers and small businesses as well as manufacturers showing an upturn in their earnings, he said.

While the economy is showing positive signs, "it needs to further consolidate the expansion of the recovery before moving into the cycle of self-sustained recovery" led by private-sector demand, Matsushita said.

Financial markets were paying close attention to what Matsushita said because the central bank curbed fund injection into the money market this week, a move indicative of a possible reversal of the central bank's monetary stance.

The bank of Japan last September cut the official discount rate, which it charges on loans to commercial banks, to a record low of 0.5 percent.

While acknowledging the easy monetary policy is affecting people dependent on interest income, Matsushita said its benefits "will reach the whole nation" if it puts the economy on a recovery path, boosting employment and income.

On the currency market, Matsushita said the dollar is "still in the process of an orderly reversal" as urged by Group-of-Seven (G-7) finance ministers and central bank chiefs in April 1995, when the dollar was falling against major currencies.

The U.S. unit rose above 110 yen in Tokyo, London and New York on Tuesday for the first time in 29 months. The level compares with the record low of 79.75 yen set in April last year.

Leaders of G-7 industrial powers welcomed developments in major currency rates since April last year at their annual summit in Lyons, France, on June 27-29.

Asked how the yen's recent slide will affect the economy, Matsushita said it is unlikely to fuel inflationary pressure immediately, though import prices have been rising at a double-digit pace since April because of a recent correction in the yen's rise.

On revision of the BOJ law, Matsushita voiced "strong hopes" that a study group reporting to the prime minister will come up with an outline for the revision.

A ruling coalition task force produced a report last month vowing to submit a bill for revising the 1942 law in the next regular parliamentary session beginning in January 1997.

The coalition is reviewing the law, which gives the Finance Ministry broad authority over the central bank, amid intense criticism of the ministry's poor handling of the mortgage fiasco.

Critics say the law makes the bank of Japan less independent than its counterparts in other industrial nations.

The task force also decided to set up a panel under Prime Minister Ryutaro Hashimoto to study the issue.

Matsushita said the panel will be an appropriate venue for discussing the revision from a broad perspective. The central bank will "actively contribute" to deliberations there, he said.

Meanwhile, Matsushita welcomed the passage through the Diet of six financial bills, including one for liquidating failed "jusen" housing loan companies.

"They provide a comprehensive framework for reconstructing Japan's financial system," Matsushita said.

Financial and agricultural circles are studying extra measures for the jusen liquidation to help reduce the 685 billion yen burden placed on taxpayers.

The Finance Ministry is asking the central bank to contribute as well. Matsushita said the bank of Japan will study such commitments in line with the nature of BOJ funds, which are basically public money.

Japan: Nikkeiren Head Urges Extra Budget To Stimulate Economy

*OW0307090896 Tokyo KYODO in English
0752 GMT 3 Jul 96*

[FBIS Transcribed Text] Tokyo, July 3 KYODO — A top business leader called on the government Wednesday to work out a supplementary budget to stimulate the domestic economy.

Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), said Japan's economy is undergoing a structural change and the current recovery trend is only a step in the process.

Nemoto's view conflicted with that of the head of the Japan Association of Corporate Executives (KEIZAI Doyukai), Jiro Ushio, who said a supplementary budget is unnecessary because there is little likelihood of the domestic economy turning downward.

Nemoto, citing a high unemployment rate, urged the government to take measures to improve the labor market.

Japan: Hashimoto Shows Concern Over Rapid Exchange Fluctuations

*OW0307033796 Tokyo KYODO in English
0248 GMT 3 Jul 96*

[FBIS Transcribed Text] Tokyo, July 3 KYODO — Prime Minister Ryutaro Hashimoto expressed concern Wednesday over the recent rapid fluctuations in the exchange market.

He declined to directly comment on the ongoing retreat of the Japanese yen against the dollar but said, "it is no good" for the yen-dollar exchange rate to move sharply.

"I would not mind if it moves within certain limits," Hashimoto told reporters at his official residence.

The dollar broke through the 110 yen line for the first time in 29 months in the Tokyo, London and New York markets Tuesday.

Japan: Business Leaders React 'Calmly' to Yen Decline

OW0207141796 Tokyo KYODO in English
1249 GMT 2 Jul 96

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Business leaders reacted calmly Tuesday to the yen's decline against the dollar, taking the view that the current dollar-yen exchange levels will have no adverse effects on Japan's economic recovery.

Shoichiro Toyoda, chairman of the powerful Federation of Economic Organizations (Keidanren), told reporters "the exchange rates have returned to a level matching Japan's economic might."

"The yen's value against the dollar was far from the economic fundamentals in the past," said Jiro Nemoto, president of the Japan Federation of Employers Associations (Nikkeiren), adding that "the desirable exchange level is 110-120 yen to the dollar."

Jiro Ushio, chairman of the Japan association of corporate executives (Keizai dooyukai), said it is "the natural consequence" of Japan's shrinking current account surplus.

No adverse effects on the domestic economy are expected until the dollar rises to 115 yen, he added.

Kosaku Inaba, chairman of the Japan chamber of commerce and industry, expressed concern that the weak yen will boost prices of imported goods, dampening consumer spending.

He urged the government to take measures to stabilize exchange rates at a certain level.

Japan: Computer Industry Experts Note Domestic PC Market Growing

OW0207085596 Tokyo KYODO in English
0836 GMT 2 Jul 96

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Domestic shipments of personal computers (PCs) are continuing at a high pace and electronics makers are likely to upgrade their sales projections for fiscal 1996, industry officials said Tuesday.

The Japan electronic industry development association estimated domestic pc shipments in fiscal 1996, which began April 1, at 7.5 million units, up 31.0 percent over the previous year.

IDC Japan Inc., the Japanese subsidiary of US Market research Agency International Data Corp., painted a bullish picture for PC shipments, forecasting a 45 percent rise to 8.4 million units.

NEC Corp., which holds about 50 percent of Japan's personal computer market, reported its PC shipments for the April-June period increased 30-40 percent over the same period of last year.

Company officials said shipments for the whole year are likely to rise more than the targeted 27 percent.

IBM Japan Ltd. said its sales are likely to top the one million units projected for fiscal 1996.

Toshiba Corp. said its production of notebook PCs is lagging behind growth demand while Fujitsu Ltd., which doubled its domestic market share due to demand for low-priced machines last year, said brisk shipments continued in the current year.

The Japanese subsidiaries of U.S. makers Compaq Computer Corp. and Dell Computer Corp. said they will mount a sales drive for low-priced PCs to boost their shares on the Japanese market.

Japan: 17 Trillion Yen Investment Sought for Science, Technology

OW0207025296 Tokyo KYODO in English
0159 GMT 2 Jul 96

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Japan on Tuesday authorized a five-year master plan for the development of science and technology calling for total public investment of 17 trillion yen during fiscal 1996-2000.

The go-ahead was given at a cabinet meeting after the plan was presented by the Council for Science and Technology, chaired by Prime Minister Ryutaro Hashimoto, government officials said.

The council said in a report the massive investment is needed to realize ideas outlined in the plan, but did not specify the target amount of government spending for each of the five fiscal years due to objection by the finance ministry. The fiscal year begins April 1.

The council, made up of cabinet ministers, scientists and industrialists, has worked on the master plan since the enactment of a basic law on science and technology last year.

The Science and Technology Agency has called for doubling the government's investment in research and development by the beginning of the 21st century compared with the level in 1992.

But the Finance Ministry's opposition to the demand has resulted in the wording regarding the investment in the master plan being left unclear, agency and council sources said.

As to the investment, the plan only says it is necessary to make the total amount about 17 trillion yen for the five years until 2000 to realize the target.

The plan also calls for the introduction of a new employment system under which researchers at state-run organizations would be hired for limited periods instead of the current lifetime employment system.

To stimulate competitiveness among researchers, the plan supports the enlargement of public funds that will be provided for researchers if their plans are adopted in contests for selection of research themes.

To help enhance research at state organizations, the plan recommends an increase in the number of foreign researchers and assistants, and the expansion of space at laboratories.

Japan: Government Paper Urges Training of White-Collar Workers

OW0207041996 Tokyo KYODO in English
0314 GMT 2 Jul 96

[FBIS Transcribed Text] Tokyo, July 2 KYODO — The government's annual report on labor pointed Tuesday to the urgent need for Japan's white-collar workers to receive training so that new employment opportunities will be created.

The 1996 white paper, submitted by Labor Minister Takanobu Nagai to Tuesday's cabinet meeting, said the measure is necessary to meet the changing structure of the economy in Japan, where the jobless rate hit a record high 3.5 percent in May.

The paper recommends that government and companies prepare an off-the-job training system, reform the seniority-based wages and help create a transferable labor market.

To show how the worsening unemployment rate particularly affects white-collar workers, it cited the average ratio of job offers to job seekers between 1982 and 1995.

The figures averaged 0.49 for office workers — meaning there were 49 job offers for every 100 job seekers — and 0.95 for managers. The comparable ratio was 1.71 for engineers and 1.88 for service-sector workers.

The white paper also predicted that the ratio of white-collar workers in the total labor force will rise to 52.8 percent in the year 2000.

In order to remain competitive in the labor market, such workers must develop new skills in information technology through training during which their employers assure conditions such as paid holidays, the white paper said.

It also pointed out the importance of establishing a system to ensure that workers who change jobs do not have worse conditions of employment compared with other workers of the same ability.

Japan: Kajiyama Says Jobless Rate 'Deserves Attention'

OW0207045396 Tokyo KYODO in English
0344 GMT 2 Jul 96

[FBIS Transcribed Text] Tokyo, July 2 KYODO — Japan's record high 3.5 percent unemployment rate in May "deserves attention," while the 0.69 ratio of job offers to job seekers the same month was still severe, Chief Cabinet Secretary Seirote Kajiyama said Tuesday.

The Management and Coordination Agency said Friday that Japan's unemployment rate hit 3.5 percent in May, the highest level since 1953 when the survey started using the current calculating method. Unemployment rose despite the continued pickup of the Japanese economy.

In a separate report, the Labor Ministry said the ratio of job offers to job seekers in May stood at a seasonally adjusted 0.69 — meaning there were 69 job offers for every 100 job seekers. The ratio improved only 0.02 point from the previous month.

Japan: Ex-Prime Minister Seen as Key to NFP Unity, Restructure

OW0307094896 Tokyo MAINICHI SHIMBUN
in Japanese 2 Jul 96 Morning Edition p 2

[By Katsuyoshi Kiyomiya]

[FBIS Translated Text] Six months have passed since Ichiro Ozawa became the president of the New Frontier Party [NFP]. Ozawa wants to consolidate unity in the party while making preparations for the election to fight the "autumn battle." A key factor in this is his relations with former Prime Ministers Morihiro Hosokawa and Tsutomu Hata, who are hostile to the party leadership.

In particular, Ozawa's close aides think that the cooperation of Hosokawa will be the prerequisite for NFP restructuring. However, Hosokawa has been pressuring Ozawa by indicating that if party reforms are insufficient, he might "make a drastic decision." It seems that upheaval will continue for a while in the NFP.

At a news conference on 29 June in Onomichi City, Hiroshima Prefecture, Ozawa discussed the possibility of uniting the party. He said: "Everyone cares about the party. I am not really concerned." He indicated his

determination to consolidate the party in preparation for the general election.

The NFP is, in a way, a party for "mutual help in elections." Ozawa probably predicts that as the election approaches, party members will have no choice but to unite.

On 28 June, Ozawa completed his first six months as party president. During this period, antagonism between him and Hata's group — Hata competed against him in the last NFP presidential election — lingered. Intraparty strife was also evident throughout the Diet session that dealt with jusen liquidation. Hata and Hosokawa formed an anti-Ozawa group in the party, the "Koshikai." In particular, Hata has also begun to take steps to form an alliance with former Director General Hajime Funada of the Economic Planning Agency, who is actively seeking to form a new party with Yukio Hatoyama [secretary general of New Party Sakigake].

However, during a three-way meeting among Ozawa, Hata, and Hosokawa on 20 June, Hosokawa actively expressed his views, proposing "going back to the starting point of reform," and seemed eager to take steps to promote intraparty harmony. Ozawa's close aides, in their desire to "obtain the cooperation of Hosokawa, rather than Hata," would also like to present Hosokawa as the "symbol" of the party's "political ideology."

The reason courting Hosokawa is given a higher priority is because he is still very popular with the Japanese people, and has a strong influence on younger Diet members formerly belonging to the Japan New Party [JNP]. Furthermore, Hosokawa has close relations with Hiroshi Kumagai, Yuichi Ichikawa and other Diet members in the party who are anti-Ozawa. The fact that he seems to be the "most fearsome person in the next round of political realignment" cannot be ignored.

Hosokawa advocates decisive implementation of drastic administrative reforms, such as deregulation, but takes the stance that "there is no need to rush in security and foreign policies." His policy differences with Ozawa have been notable. Moreover, he "puts up a high threshold" in terms of party reforms, which he sets as his condition for cooperating with the Ozawa leadership. (according to a Diet member formerly belonging to the JNP) Depending on how Ozawa handles the situation, there may be some elements of danger that can lead to the party's breakup.

Japan: NFP President Ozawa, Hata Meet on Party Matters 1 Jul

OW0307103296 Tokyo NIHON KEIZAI SHIMBUN in Japanese 2 Jul 96 Morning Edition p 2

[FBIS Translated Text] President Ichiro Ozawa of the New Frontier Party [NFP] met with former Prime Minister Tsutomu Hata in Tokyo on 1 July to exchange views with him on party management.

Hata asked that Ozawa rectify his style of "close aides politics," which has long been criticized in the party, while Ozawa expressed his concern about the activities of the "Koshikai," which supports Hata and former Prime Minister Morihiro Hosokawa, and keeps a distance from the party leadership.

The meeting lasted for two hours. Along with his demand for correcting "close aides politics," Hata sought Ozawa's efforts to: 1) win wider support from the voters by restructuring the party organization based on the local units; and 2) take stronger steps to promote political and administrative reforms. With regard to "Koshikai," he indicated that "this is not a faction; there is no need to be concerned."

On the other hand, Ozawa explained that at present, he is working on expanding support for the party through dialogues with the voters. However, with regard to intraparty issues, he merely listened to Hata, and did not say much, except for his remark on the "Koshikai." He did not also give a clear answer on what he intends to do with "close aides" politics.

This was the first meeting between the two men since they had a three-way discussion with Hosokawa on 20 June. This meeting was held at Hata's request.

North Korea

DPRK Paper Decries U.S. Arms Buildup, Military Exercises

SK0307050696 Pyongyang NODONG SINMUN in Korean 15 Jun 96 p 6

[Article by Choe Hak-chol: "Invariable Ambition To Crush the DPRK"]

[FBIS Translated Text] Bellicose elements of the U.S. military are continuously staging military exercises against us. They conducted an exercise involving the U.S. Air Force in Japan to cope with a so-called "surprise aerial attack" by us, and a while ago even staged a missile firing exercise along the west coast.

This is only a typical example showing that it is none other than the United States that is aggravating tensions on and around the Korean peninsula.

We hope tensions will be alleviated and peace can be ensured on the Korean peninsula. On the contrary, the United States hopes to see aggravated tensions on the Korean peninsula because, if tensions are eased on the Korean peninsula, they will lose their pretext for stationing aggression forces in South Korea and its surroundings, and in the long run, a pretext for provoking a new Korean war.

The United States has not discarded its ambition to crush us with force. Out of such an ambition, the United States is deploying numerous nuclear weapons and huge aggression forces in South Korea, and is supplying modern means of war to arm the U.S. forces in South Korea and the puppet armed forces. In recent years alone, the United States armed the U.S. forces in South Korea with modern equipment worth billions of dollars. It is now increasing the modernization of the South Korean puppet armed forces. The United States decided to hand over sea-launched missiles worth hundreds of millions of dollars to the South Korean puppet armed forces. Furthermore, it frequently stages joint military exercises with the puppet armed forces and Japanese "Self-Defense Force," leading the situation to extremes. On 10 June, scores of attack aircraft and pursuit-attack aircraft of the U.S. Pacific Fleet, and some 120 fighters of the U.S. Seventh Air Force occupying South Korea, staged a provocative aerial war exercise for scorched-earth operations against the northern half of the Republic. The "Rimpac-96" joint military exercise involving sea lane blockade exercises and landing operations for a contingency on the Korean peninsula is now underway in the Pacific.

The exercise involving the U.S. Air Force in Japan, which the bellicose elements of the U.S. military allegedly staged in preparation for a nonexistent "surprise aerial attack" by us, and the missile firing exercise on the west coast, are part of the new war provocation maneuvers to crush our Republic with strength.

We are keenly alert to the possibility that the bellicose elements of the U.S. military, while conducting war exercises that aggravate tensions under the pretext of our "attack" and "threat," may switch over to a real war.

The nature of the U.S. bellicose elements to suppress us by force has not changed a bit, and furthermore, it is getting more dangerous with each passing day.

It is a mistake if the bellicose elements of the U.S. military think they can do whatever they wish, relying on strength.

Our people are not afraid of power confrontations, but are always filled with confidence in victory.

If hard-line conservatives in the United States continue to rampage recklessly and bellicose, what they will get is only shame and defeat.

The U.S. bellicose elements should discard their anachronistic policy of strength and withdraw their aggression forces from the Korean peninsula and its vicinity. This would be the only appropriate demeanor for the United States.

DPRK: ROK Journalists Vow To Begin 'Progressive Press Activities'

SK2706100796 *Pyongyang KCNA in English*
0805 GMT 27 Jun 96

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — South Korean pressmen affiliated with the Newspapers Association, the Newspaper and Radio Editors Association and the Journalist Association made public a program of new newspaper ethics and vowed to launch progressive press activities, a South Korean newspaper reported.

The program noted that the pressmen will strive for the freedom of the press and the people's right to know.

Pointing out that the press has independence from outside forces, it stressed that they will categorically reject any force that wants to interfere in the press and use it in an unreasonable way.

The pressmen pledge to report the full truth of facts in a correct, objective and unbiased way and contribute to the building of sound opinion in society, said the program.

DPRK SKNDF: Principles of Joint Statement Must Be Followed

SK0307030596 *Pyongyang KCNA in English*
0306 GMT 3 Jul 96

["Principles of July 4 North-South Joint Statement Must Be Adhered To" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 3 (KCNA) — Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea (NDFSK) [SKNDF], held an interview with KCNA on July 2 twenty-four years since the July 4 North-South joint statement was published.

He said that the NDFSK would make positive contributions to accelerating the reunification of the country by performing its mission as a vanguard detachment and shock brigade in the struggle to adhere to the principles of the July 4 North-South joint statement and put them into practice.

He further said:

The publication of the joint statement on July 4, 1972 was a historic event which clearly indicated the road of achieving the independent and peaceful reunification of the country and demonstrated the unanimous will of the Korean nation for reunification to the whole world.

Turning to the betrayal of the successive South Korean rulers who violated the basic spirit and principles of the joint statement, he said:

If the Kim Yong-sam group continue to take the road of confrontation with the North and fascism against the trend of the times, they will face the judgement by the people for their separatist and fascist acts as their preceding dictators did.

They must discard the anachronistic idea of dependence upon outside forces, make the U.S. troops and the nuclear weapons withdrawn, stop the moves for confrontation with the North and the crackdown upon the pro-reunification patriotic figures and step down from "power" at once.

DPRK: PRC People's University Delegation Departs 26 Jun

*SK2806104996 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 26 Jun 96*

[FBIS Translated Text] On 26 June, a delegation of the People's University of China, led by its secretary Ma Shaomeng, returned to the PRC by train.

The delegation was seen off at Pyongyang Station by Han Su-kil, the president of the Chuche Idea Academy.

DPRK: Delegation From Party History Institute Departs for PRC

*SK2706101196 Pyongyang KCNA in English
0824 GMT 27 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — A delegation of the Party History Institute of the Central Committee of the Workers' Party of Korea (WPK) led by its director Kang Sok-sung left here today to visit China.

The delegation was seen off at Pyongyang Railway Station by Yi Chae-il, first vice-director of a department of the WPK Central Committee, and Sui Xiudong, charge d'affaires ad interim of the Chinese Embassy here.

DPRK: Meeting Held on Human Rights of Korean Residents in Japan

*SK2706042996 Pyongyang KCNA in English
0331 GMT 27 Jun 96*

[FBIS Transcribed Text] Tokyo, June 25 (KNS-KCNA) — A lecture meeting on Japanese society and human rights of Koreans in Japan took place here on June 21.

The meeting was attended by Honorary Professor of Ritssho University Yasusaburo Hoshino, who is the chairman of the preparatory committee for the lecture meeting, and other Japanese people of various social strata and Koreans in Japan.

Prior to the lecture, Yasusaburo Hoshino said Koreans have the right to national education and all other rights infringed upon in Japan, a less-developed country in the estimation of human rights, and the "suffrage" issue is fraught with many things in view of the cause of Korea's division and its tragic history.

Reports were delivered at the meeting.

Yu Kwang-su, chairman of the Human Rights Association of Korean Residents in Japan, said the "suffrage" for which some people of the South Korean Residents Association in Japan (Mindan) are trying does not reflect the life and desire of the Japan-resident Koreans proud of their national identity but benefits the Japanese authorities in their policy of assimilating them to Japan. He then voiced opposition to the "suffrage" which inveigles Koreans into Japanese politics, weakens national unity and hurts friendship with the Japanese people.

Prof. Yoshio Hakino of Kanto Gakuin University and acting chairman of the Human Rights Committee of the Bar Association of Japan Shigeru Tokoi, laid bare the reactionary nature of the "suffrage" issue.

DPRK: KISSYL Statement Denounces Japan's 'Right-Wing Forces'

*SK0307002296 Pyongyang KCNA in English
2359 GMT 2 Jul 96*

["False Report of Japanese Newspaper Rejected" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 3 (KCNA) — The spokesman of the International Department of the Central Committee of the Kim Il-song Socialist Youth League (KISSYL) issued a statement on Tuesday, bitterly denouncing the right-wing forces of Japan and their mouthpiece, the NIHON KEIZAI SHIMBUN newspaper, for carrying a false report with a sinister aim to impair the international authority and prestige of the dignified DPRK and hinder the friendship and exchange between the young people of the two countries.

"Unless they make a formal apology before the world public, the 'Ship of Peace' youth friendship visiting group will not be allowed to visit the DPRK," the spokesman warned.

He said:

"Our youth league invited the 'Ship of Peace' youth friendship visiting group in order to strengthen the bonds of friendship with the Japanese young people.

"The NIHON KEIZAI SHIMBUN newspaper of Japan earlier June made a false report in connection with this group's visit to the DPRK, which was organised by the young Japanese. It seriously insulted and slandered the DPRK, claiming that this group would take with them some amount of rice to feed themselves and that this would be the first of its kind in tourism.

"It is no accident that this report came at a time when the right-wing reactionaries of Japan were laying artificial obstacles and difficulties in the way of the settlement of the DPRK-Japan relations.

"Needless to say, it is a premeditated, deliberate drama staged by the right-wing forces of Japan to frustrate the exchange between the youth organisations of the two countries.

"As for the rice problem, we never asked the 'Ship of Peace' side to render rice assistance or bring rice for themselves.

"The false report made by the NIHON KEIZAI SHIMBUN newspaper fully revealed that it is a paid trumpeter and a puppet newspaper devoid of independence and objectivity, which are vital to the press media.

"This also shows that the right-wing reactionaries and paid media of Japan are abusing even the exchange between youth organisations of the two countries for their political purposes.

"Right-wing gangsters of Japan are making national chauvinistic and unethical acts of terrorism against Korean schoolchildren in Japan, much to the indignation of the young and all other people of Korea. The false report which was spread at this time can never be tolerated as it is an insult to our effort to welcome with good will and magnanimity young people from Japan as the mission of friendship."

DPRK Ambassador Calls on Cambodian Second Prime Minister

SK2806101596 *Pyongyang Korean Central Broadcasting Network in Korean*
1300 GMT 27 Jun 96

[FBIS Translated Text] On 24 June, Ambassador Kim Yong-sop paid a courtesy call on Hun Sen, the second prime minister of the Kingdom of Cambodia.

During the meeting, the ambassador conveyed greetings from the great leader [widachan yongdoja] Comrade Kim Chong-il to Second Prime Minister Hun Sen. The second prime minister expressed deep gratitude for this and asked the ambassador to convey his heartfelt greetings to the great leader [widachan yongdoja] Comrade Kim Chong-il.

Touching on the friendly relations between the two countries of Cambodia and Korea, the second prime minister said: We are well aware of the situation created on the Korean peninsula and the Korean people's aspiration. The confederation formula for reunification based on one nation and one state, two systems and two governments, which was set forth by the great leader President Kim Il-song, is a just formula for reunification. We oppose the stationing of foreign troops in other countries, and we maintain that outside forces should not interfere in resolving Korea's reunification issue.

DPRK: WPK Sends Greetings to Communist Party of Uruguay

SK2706100896 *Pyongyang KCNA in English*
0823 GMT 27 Jun 96

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — The Central Committee of the Workers' Party of Korea [WPK] today sent a message of greetings to the 24th convention of the Communist Party of Uruguay [CPU].

The WPK Central Committee expressed the belief that the friendly relations between the two parties forged in the joint struggle for independence against imperialism and for socialism would continue to develop. It wished the CPU great success in the work of the convention.

DPRK: Iranian Ambassador, Embassy Officials Visit Sinchon Museum

SK2706051296 *Pyongyang KCNA in English*
0338 GMT 27 Jun 96

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — The Iranian ambassador to the DPRK, Seyyed Morteza Mirheydari, and his embassy officials visited the Sinchon Museum on Wednesday.

They were briefed on the data and exhibits in the museum before they went round the former air-raid shelter of the County Party Committee, a tomb of 400 mothers, a tomb of 102 children, store houses in Pannamu Village of Wonam-ri and other places.

After the visit, the ambassador said the U.S. imperialists are still working to violate the independence of the world progressive peoples. He wrote in the visitors' book that the museum is of great importance for the younger generation to clearly learn the aggressive nature and brutality of the imperialists.

DPRK: SPA Delegation Led by Yang Hyong-sop Arrives in Mexico

*SK2806105196 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 26 Jun 96*

[FBIS Translated Text] On 24 June, our country's delegation of the Supreme People's Assembly [SPA], led by its Chairman Yang Hyong-sop, arrived in Mexico.

The delegation was greeted at the airport by the chairman of the Foreign Affairs Committee of the Mexican Chamber of Deputies, lawmakers of the Chamber of Deputies, and our country's ambassador to Mexico.

Prior to this, the delegation departed Brazil on 22 June.

DPRK: SPA Delegation Meets With Brazilian Political Leaders

*SK2806032896 Pyongyang KCNA in English
0243 GMT 28 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — Brazilian political figures expressed support for the Korean people's efforts for peaceful reunification recently when they met with a delegation of the Supreme People's Assembly [SPA] of the Democratic People's Republic of Korea.

The general secretary of the Central Committee of the October 8 Revolutionary Movement, Claudio Campos, voiced deep reverence for the great leader Comrade Kim Chong-il, who has successfully been carrying forward the cause of the great leader Comrade Kim Il-song.

The chairman of the Democratic Movement, Paes de Andrade, said that since an Armistice Agreement was concluded in Korea in 1953, the United States has systematically violated it and rendered the situation of the Korean peninsula strained, causing deep apprehensions among the world people who want peace.

"We will continue supporting your country in the struggle to defend national rights to self-determination

and independence and to achieve national reunification," he declared.

The president of the senate expressed the hope that Korea will prove successful in the struggle for defending peace and peacefully reunifying the country under the correct guidance of His Excellency the respected leader Kim Chong-il.

DPRK: Signature Campaign Launched To Support DPRK Peace Proposal

*SK2906084596 Pyongyang KCNA in English
0844 GMT 29 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 29 (KCNA) — A signature campaign for supporting the new peace proposal of the Democratic People's Republic of Korea was recently conducted in foreign countries.

In Zaire the general secretary of the People's Rally for Socialism, the national chairman of the Social Progress Liberal Party and the national chairman of the Workers' Party signed the signature paper on behalf of their parties and some 20 parliamentarians from different parties also signed it.

About 60,000 signatures have been collected in the country until now.

In Reunion the general secretary of the Communist Party signed the paper on behalf of the members of his party and trade unions, youth and women's organizations under it.

Miguel Boieiro, mayor of Alcochete, Portugal, and 45 officials of the city office put their signatures to the paper on behalf of 150,000 citizens. Also participating in the signature campaign were Honorary Chairman Francisco da Costa Gomez, who is ex-president of Portugal, Chairman Joao Serra [spelling of names as received] and other members of the Portuguese Council for Peace and Cooperation.

In Iran the general secretary of the "Workers Home" signed the paper on behalf of his organization.

DPRK: Kim Chong-il Issues Telegraph Thanking Kungnung Workers

*SK0207223496 Pyongyang KCNA in English
2106 GMT 2 Jul 96*

[Telegraph Order of Comrade Kim Chong-il — KCNA headline]

[FBIS Transcribed Text] Pyongyang, July 3 (KCNA) — Comrade Kim Chong-il, supreme commander of the Korean People's Army [KPA], on July 2 issued the following telegraph order No. 001 on thanking the KPA

soldiers and builders mobilized in the construction of the Kumgangsan Power Station:

The Kumgangsan Power Station, which was constructed according to the far-reaching plan of the great leader Comrade Kim Il-song to provide our people with a more affluent and cultured life, is a grand monument to nature transformation which will be handed down throughout the Workers' Party era.

The National Defence Commission of the DPRK and the supreme command of the KPA issued an honorable militant order on building the Kumgangsan Power Station to KPA soldiers, who struck the world people with admiration by constructing the West Sea [Yellow Sea] barrage and express highways in a short span of time with the slogan "When the party is determined, we can do anything!" as their faith and who are possessed of the indefatigable fighting spirit and the revolutionary stamina of servicemen ready to remove the mountain and fill up the sea if the party desires.

People's Army soldiers and builders, who regarded the behests of Comrade Kim Il-song and the order of the KPA supreme commander as the fighting task for their life, broke through unimaginable obstacles and trials in the spirit of the "arduous march" and thus built dams of the power station and completed the project of a 40-kilometre-long waterway tunnel in defiance of the water pouring from the ceiling of the tunnel and the collapse of some tunnel sections.

Noting with high appreciation that the KPA soldiers and builders have successfully erected another great monumental edifice of our style through devoted efforts to fulfill the order of the party, I issue the following order:

1. The country and the people shall never forget the exploits of the comrades-in-arms who fell while building the Kumgangsan Power Station to implement Comrade Kim Il-song's far-reaching plan of grand nature transformation, and thanks shall be given to all the soldiers and builders for their feats in labour.
2. It shall be declared that the world-level project of grand nature transformation was successfully completed till June 30, 1996 through the display of the high revolutionary spirit of soldiers, mass heroism and matchless self-sacrificing spirit under the red flag of revolution.

DPRK: Success Reported in Kumgangsan Load Test

SK0307053896 *Pyongyang Korean Central Broadcasting Network in Korean* 2100 GMT 2 Jul 96

[FBIS Translated Text] Following their successful no-load test [mubuha sihum] of the generators, soldiers of

the People's Army and construction workers, who have been mobilized in the construction of the Kumgangsan Power Station and who are creating miracles and exploits there everyday by upholding the far-sighted nature-remolding plan of the great leader [suryongnim] and the orders of the respected and beloved Supreme Commander Comrade Kim Chong-il, have successfully completed a load test.

The generators of the Kumgangsan Power Station, which are a chuche-oriented grand hydroelectric power base in our country that produce electricity by making rivers that used to flow west now flow east via the 100-ri canal tunnel, the same tunnel into which Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, personally walked, have begun to run vigorously.

This is another proud victory achieved by the soldier-builders at the Kumgangsan Power Station who have built a high tower of loyalty and achievements by displaying the lofty revolutionary spirit of self-reliance and fortitude on the days of arduous battle against nature.

DPRK: KPA Officer Pledges To Hasten Dedication of Power Station

SK0307040996 *Pyongyang Korean Central Broadcasting Network in Korean* 1200 GMT 2 Jul 96

[FBIS Translated Text] One-is-a-match-for-100 soldier-builders at the construction site of the Kumgangsan Power Station, who have been boundlessly motivated by the on-the-spot guidance of General Kim Chong-il, the respected and beloved supreme commander, are vigorously launching an all-out drive to finish the first-stage construction of the Kumgangsan Power Station while continuously displaying the spirit of becoming matchless and invincible bullets and shells as well as the indomitable military spirit. Comrade Hwang Song-ku, an officer of the Comrade Hwang Chong-un Unit of the Korean People's Army [KPA], told Central Broadcasting Station reporter Choe Su-kil:

[Begin Hwang recording] All our soldier-builders who have been mobilized in the construction of the Kumgangsan Power Station are launching an all-out drive as one to hasten the dedication of the station, boundlessly motivated by the words that the respected and beloved comrade supreme commander gave during his 10 June on-the-spot guidance.

The respected and beloved general gave us the very meaningful words that the People's Army would implement all the behests of the fatherly leader [oboi suryongnim] if our soldiers finished the construction of the

Kumgangsan Power Station, adding how good it would be if we gave the report on the completion of the construction to the leader's [suryongnim] altar on the second anniversary of his death.

Moreover, on 10 June he personally visited the construction site of the power station and expressed his great satisfaction, saying we had done a great job which we could be proud of to the world. He also gave us great honor and happiness by appreciating us, and even posing a commemorative picture with us.

As a result, our soldier-builders have again resolutely and vigorously stood up with the love and trust of the respected and beloved general.

The construction site of the power station is literally a forest of red banners, and bugles and drums for economic agitation constantly resound. Generals, officers, noncommissioned officers, and enlisted men are working and working, night and day, like soldiers fighting hand to hand. Inside, the assembly of the generators is under way in earnest, and [words indistinct], painting, and road construction are under way outside. The power station is changing its appearance at every moment and displaying its pride as a monumental edifice of the Workers Party.

Like this, our soldier-builders are launching an all-out drive to continuously and highly display the anti-Japanese Seventh Regiment's spirit of resolutely defending the leader [suryong] as well as the indomitable one-is-a-match-for-100 military spirit, which were displayed throughout the entire construction period; to complete the final-stage construction; and to again give the respected and beloved supreme commander a victorious report on the completion of the first-stage construction of the Kumgangsan Power Station. [end recording]

DPRK: Film Show Marks 2d Anniversary of Kim Il-sung's Death

*SK2706062896 Pyongyang KCNA in English
0336 GMT 27 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — The national opening ceremony of a 10-day film show on the second anniversary of the great leader President Kim Il-sung's death was held at the People's Palace of Culture in Pyongyang on Wednesday.

During the 10 days, documentary and feature films on the glorious history of revolutionary activities and great personality of President Kim Il-sung, who devoted his all to the country and the people and the cause of independence of the world and performed immortal

exploits that will shine long with the century, will be shown throughout the country.

Among them are the documentary films "The Great Leader Comrade Kim Il-sung Is Immortal" (parts 1-7), which record the noble traits of the great leader Comrade Kim Chong-il's boundless loyalty, filial piety and noble communist sense of obligation to President Kim Il-sung.

"The Great Life in 1994", and "Great History" (parts 1-15) are also among the documentaries.

The feature films include "Star of Korea", "the Sun of the Nation" and "Bright Morning".

Opening ceremonies of the film show took place in all provinces of the country on Wednesday.

DPRK: 'Study of Kimilsongism' No. 77 Published in Japan

*SK2706042796 Pyongyang KCNA in English
0328 GMT 27 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 27 (KCNA) — "Study of Kimilsongism" No.77 was published by the Japanese Society for the Study of Kimilsongism.

The magazine carried the famous work of the great leader Comrade Kim Chong-il "Respecting the Fore-runners of the Revolution Is a Noble Moral Obligation of Revolutionaries". It also edited several treatises on the work, accounts of the international seminar on the chuche idea held in Moscow and national seminars in Japan and news about the Korea visit of the delegation of the society.

DPRK: Anniversary of Kim Il-sung's Death Commemorated Overseas

*SK2806101696 Pyongyang KCNA in English
0834 GMT 28 Jun 96*

[FBIS Transcribed Text] Pyongyang, June 28 (KCNA) — Memorial activities for the great leader President Kim Il-sung have taken place in foreign countries with the approach of his second death anniversary.

A seminar on the immortal chuche idea of President Kim Il-sung was held at the International Study Centre for Chuche-Oriented Mass Media in Nepal on June 21.

The chairman of the National Council of Nepal, Beni Bahadur Karki, told the seminar:

"While wisely leading the Korean revolution, President Kim Il-sung founded the chuche idea, an anthropocentric idea.

"He clarified the philosophical principle of *chuche* that man is the master of everything and decides everything and showed to the world that nothing is impossible to do when the masses of the people are aroused.

"Though he passed away, the *chuche* idea will be immortal along with his august name."

A letter to the great leader Comrade Kim Chong-il was adopted at the seminar.

Meanwhile, memorial services for President Kim Il-song were held by the Central Secretariat of the Pakistan People's Party (PPP) and the Pakistan Muslim League (Junejo) on the occasion of his death anniversary.

Addressing a memorial service, director of the PPP Central Secretariat Nizar Hussein Kiyani said President Kim Il-song's was the life of a patriot who defended the sovereignty and dignity of the country and the nation and the life of an anti-imperialist fighter who struggled for world peace and security. He also said his undying feats will always remain shining in human history.

A reading session on President Kim Il-song's brief biography, a film show, a photo exhibition and other events took place at the Arab Centre for the Study of Independent Ideas, Bagida County, Golf Prefecture, Togo, and Conakry, Guinea and by the Communist Party of Reunion.

DPRK: Kim Il-song's 'Genuine People's Government' Praised

SK0307032496 *Pyongyang KCNA in English*
0320 GMT 3 Jul 96

["Genuine People's Government — Undying Exploit of Comrade Kim Il-song" — KCNA headline]

[FBIS Transcribed Text] *Pyongyang*, July 3 (KCNA) — NODONG SINMUN today runs an article on the immortal exploit the great leader Comrade Kim Il-song performed by building a genuine people's government.

The author of the article says:

The cause of building a genuine people's government was accomplished in Korea under Comrade Kim Il-song's leadership for the first time in history.

To this end, he propounded a perfect idea and theory on building the people's government on the basis of the immortal *chuche* idea.

For the first time in history, he expounded that the state power is a weapon for the classes and social groups holding the position of master in society and that the state power in socialist society must be a government for the popular masses.

Basing himself on the idea of building a government centred on the masses, he fully explained all the theoretical and practical questions in the building and activity of the government such as the character and mission of the people's government and the principle and mode of its activity.

He built a new-type people's government in Korea and constantly strengthened it by successfully applying the *chuche*-oriented idea and theory of building the people's government.

He enabled the people's government to be a genuine representative of the people's right to independence and an organiser of their creative ingenuity and activity.

He also guided it to look after the people's life in a responsible manner. And he led all the government officials to work with the right method and style so that the people's government could be a faithful servant of the people.

Today, our people's government is steadily consolidating thanks to the respected General Kim Chong-il.

The exploits performed by Comrade Kim Il-song for the building of the government shine brighter with the advance of the revolution.

DPRK: Yi Chong-ok Receives New Envoy From Equatorial Guinea

SK2706101096 *Pyongyang KCNA in English*
0829 GMT 27 Jun 96

[FBIS Transcribed Text] *Pyongyang*, June 27 (KCNA) — Yi Chong-ok, vice-president of the Democratic People's Republic of Korea, was presented with credentials by Florencio Maye Ela [spelling of name as received], newly appointed Equatorial Guinean ambassador E.P. [Extraordinary and Plenipotentiary] to the DPRK, at the Mansudae Assembly Hall today.

Present on the occasion was Choe Su-hon, vice-minister of foreign affairs.

After receiving the credentials, Yi Chong-ok had a conversation with the ambassador.

DPRK: Yi Chong-ok, Choe Kwang, Others See Newly Released Film

SK2806035796 *Pyongyang KCNA in English*
0247 GMT 28 Jun 96

[FBIS Transcribed Text] *Pyongyang*, June 28 (KCNA) — Part 35 of the multi-part feature film "The Nation and Destiny", the second part of the KAPF (Korea Arista Proleta Federacio) writers, was recently released in Korea.

It was appreciated by Vice-presidents Yi Chong-ok and Kim Pyong-sik, Minister of the People's Armed Forces Choe Kwang, and other party and government cadres at the People's Palace of Culture on Thursday.

The film vividly shows that hero Yi Chan, a member of the KAPF, and other literary men of its Tokyo branch waged the proletarian literature movement in the teeth of the threat and blackmail of the Japanese imperialists and reactionaries.

Through the representation of the literary writers who wriggled in bitters to defend the soul of the nation with the sorrow of being colonial slaves, it exposes the crafty and vicious moves of the Japanese imperialists to obliterate the Korean nation and the base crimes of pro-Japanese hack writer Yi Kwang-su and others.

The film stresses that to defend and honor the spirit of national [words indistinct] leader of the revolution.

DPRK: Electric Power Producers Reportedly Increase Production

SK0307131696 *Pyongyang Korean Central Broadcasting Network in Korean 2200 GMT 1 Jul 96*

[FBIS Translated Text] The electric power producers across the country are increasing the production of electric power these days, upholding the fatherly leader's behest on increasing the production of electric power. Comrade Kim Hyong-nae, responsible instructor of the Production General Bureau of the Ministry of Power Industry, interviewed by station reporter Han Sung-chan, states:

[Begin Han Sung-chan recording] With boundless adoration for the leader, the electric power producers under the Ministry of Power Industry across the country have been vigorously waging the struggle to increase the production of electric power since the abrupt passing of the fatherly leader.

The functionaries and electric power producers of the hydroelectric power stations across the country, stating that satisfactorily producing and supplying electric power is the way to thoroughly implement the fatherly leader's behest and teaching and in order to show loyalty and fulfill their filial duty to the respected and beloved general, have been producing an average of (?1.79 million kilowatts) of electric power more each day than they did last year, according to statistics of the Hydroelectric Power Station Guidance Bureau.

In particular, the Sopyongyang Power Station, Changjingang Power Station, Pujongang Power Station, and Kanggye Chongnyon Power Station, which share an important position in the production of electric power, are producing more than the daily target these

days, properly managing (?water levels) and dams by effectively using water, not wasting even a drop.

The electric power producers of the Pukchang Thermal Combined Enterprise, one of the great electric power bases of the country, and the Pyongyang Thermal Power Combined Enterprise are waging the struggle to increase the production of electric power by effectively conducting the maintenance work of the power generation facilities.

The electric power producers of the small- and medium-sized power stations across the country are keeping power generation facilities in full operation, overfulfilling daily electric power production targets by over 60 percent every day. At the same time, they have built 16 small- and medium-size power stations, including Yonggang No. 1 Power Station in Yonggang County and the No. 3 and No. 4 Power Stations in (?Pyongsong), under the Guidance Bureau last year, and are producing much electric power now.

We will continue to maintain this pace and produce more electric power by fully operating the power generation facilities of all the power stations. [end recording]

DPRK: Daily Urges Implementing Economic Strategy

SK3006130496 *Pyongyang MINJU CHOSON in Korean 11 Jun 96 p 1*

[Editorial: "Let Us Thoroughly Implement the Party's Revolutionary Economic Strategy by Highly Displaying the Spirit of the 'Arduous March'"]

[FBIS Translated Text] Today, we have the task of thoroughly implementing the party's revolutionary economic strategy, and thus, of consolidating the country's self-reliant economic foundation as rock-solid and of more highly demonstrating the superiority and strength of our own style of socialism. An important issue for officials of state economic agencies to successfully carry out this honorable task is to highly display the trait of living and struggling with the spirit of the "arduous march."

The great leader [widachan yongdoja] Comrade Kim Chong-il has pointed out:

"The revolutionary spirit, which began to be displayed in the forests of Paektu, is the most valuable asset that will cast its ray over this land for generation after generation, an immortal banner that guarantees the boundless prosperity of our nation."

The spirit of the "arduous march" is the spirit which has enabled the Korean revolution to firmly maintain

its lifeline under the most difficult environment under the leadership of the great leader [widaehan suryong] Comrade Kim Il-song. This is also the strong spirit of resolutely defending the leader [suryong], the spirit of self-reliance, the spirit of overcoming difficulties, and the spirit of revolutionary optimism.

For officials of state economic agencies to highly display the spirit of the "arduous march" is a requirement for excellently carrying out their official duties and for repaying the party's great trust and consideration.

Chuche-type communist revolutionaries are those who have the strong will to fulfill all the tasks given by the party. Officials who have no indefatigable struggle spirit or spirit to overcome difficulties cannot satisfactorily fulfill the tasks in a timely manner or devotedly work for the party and the revolution, the fatherland and the people. A strong ambition to work, an indomitable struggle spirit, and a boundless spirit of devotion and sacrifice, all of which are necessary for carrying out our revolutionary duties, are displayed by officials who have the spirit of the "arduous march." Officials of state economic agencies are revolutionaries who are working at honorable guardposts, with the great trust of the party. Our officials would not have been raised into leading officials of the revolution and vanguard fighters without the bosom of the maternal party. For officials of state economic agencies to highly display the spirit of the "arduous march" and excellently carry out their official duties is a very honorable deed to repay the benevolence of the party and the leader [suryong] which have raised them and allowed them to play prominent roles.

For officials of state economic agencies to highly display the spirit of the "arduous march" and thoroughly implement the party's revolutionary economic strategy is the demand of the prevailing situation.

We are building socialism under the most difficult environment. To an important degree, the difficulties facing us are related to the persistent and vicious maneuvers of the imperialists. To isolate, suffocate, and crush our socialism, the imperialists and reactionaries are indiscriminately applying political and military pressure, are indiscriminately maneuvering to impose an economic blockade, and are frantically maneuvering to provoke a new war. The prevailing situation calls on our officials to live and struggle with the spirit of the "arduous march" and to thoroughly implement the party's revolutionary economic strategy.

Thoroughly implementing the party's revolutionary economic strategy and strongly consolidating the economic position [kyongjejok chinji] of our socialism is a firm material guarantee to strengthen our political and ideological as well as military position. When we thoroughly

implement the party's revolutionary economic strategy and economically and materialistically back the country's political, ideological, and military strength, only then can we make our strength invincible and successfully crush any military provocation, economic blockade, and new war provocation by the imperialists and reactionaries.

Officials of all state economic agencies must cherish deep in their hearts the fact that thoroughly implementing the party's revolutionary economic strategy is a firm guarantee to break through the prevailing difficulties and victoriously advance the revolution, just like they crushed all enemy maneuvers, created the great Chollima upswing in socialist construction, and won the honor of being victors by highly displaying the indomitable struggle spirit and the revolutionary spirit of self-reliance and arduous struggle. They must also vigorously wage the struggle to score great upsurges in economic construction just like they did during the period of the "Arduous March."

In order to thoroughly implement the party's revolutionary economic strategy by highly displaying the spirit of the "Arduous March," officials of state economic agencies must first learn exemplary loyalty from the anti-Japanese revolutionary fighters.

What was basic to the revolutionary spirit of the anti-Japanese revolutionary fighters was loyalty to the leader [suryong], and the loyalty to the leader [suryong] is the essence of the spirit of the "Arduous March."

The anti-Japanese revolutionary fighters, firmly believing that it was only the great leader Comrade Kim Il-song who could save the destiny of the nation and lead the Korean revolution to victory, embarked on the turbulent road of the struggle and reverently upheld the leader [suryongnim] as the sun of the nation.

The anti-Japanese revolutionary fighters could resolutely defend the respected and beloved leader [kyongachanun suryongnim] under any difficult circumstances and devote themselves to the leader [suryongnim] to the end, with the high awareness that they had no right to die before fulfilling the revolutionary duties given by the leader [suryongnim] and with an indomitable struggle spirit, because they had a firm revolutionary outlook on the leader [suryong].

Learning from the noble examples of the anti-Japanese revolutionary fighters who implemented the firm outlook on life and the leader [suryong] of always living as loyalists for the leader [suryong] is an important requirement for our officials to prepare themselves as genuine revolutionaries who are boundlessly loyal to the great leader [widaehan yongdoja] Comrade Kim Chong-il.

The great Comrade Kim Chong-il [widaehan kim chong-il tongji] is today's Comrade Kim Il-song who inherited the respected and beloved leader's [kyongchasan suryongnim] ideology, leadership traits, and lofty virtue.

The great leader [widaehan yongdoja] Comrade Kim Chong-il has presented inheriting and completing the chuche revolutionary cause as his life cause, and he is wisely leading our party and people on the vanguard as the respected and beloved leader [kyongchasan suryongnim] wished.

Officials of state economic agencies must uphold the great Comrade Kim Chong-il [widaehan kim chong-il tongji] and be boundlessly loyal to the party's leadership with the pure, clean spirit of the anti-Japanese revolutionary fighters who upheld the Comrade Kim Il-song, the respected and beloved leader, as the sun of the nation.

With the firm belief that we will win without fail and fear no enemy only if there is the great leader [widaehan yongdoja] Comrade Kim Chong-il, we must single-heartedly and absolutely revere and follow only our leader [yongdoja] and resolutely defend him politically and ideologically by even risking our lives under any difficult circumstances.

In particular, officials in state economic agencies must fully demonstrate their loyalty in today's practical struggle to make new turns in thoroughly implementing the party's revolutionary economic strategy.

In order to thoroughly implement the party's revolutionary economic strategy by highly displaying the spirit of the "Arduous March," officials of state economic agencies must also have a firm will to carry out the revolution by believing in and relying on their own strength.

The spirit of the "Arduous March" is a revolutionary spirit of self-reliance and arduous struggle with which to overcome all difficulties and trials by believing in their and relying on their own strength.

The anti-Japanese revolutionary ranks participated in the "arduous march" while receiving no assistance from the rear or from a regular army. However, they brimmed with the revolutionary spirit that they could rely only on themselves.

The revolutionary spirit that they embarked with along the road of the revolutionary march, possessed with an iron will, was a crucial key to victory in the great anti-Japanese war and the advent of a new spring of national liberation.

The environment and the conditions of our revolution have changed. However, the revolutionary truth remains

eternal that we can achieve victory only when we fight with the revolutionary spirit of self-reliance and arduous struggle.

Self-reliance is the only way to live and achieve victory.

Officials in state economic agencies must thoroughly implement the party's revolutionary economic strategy with the revolutionary spirit of self-reliance that was displayed during the "arduous march."

The party's revolutionary economic strategy is a strategy of self-reliance and arduous struggle.

Officials in state economic agencies must carry out economic organization work and resolve knotty issues in a revolutionary manner with a strong resolve to carrying out tasks assigned to each unit on their own strength, even if the higher echelons do not supply the necessities, although it would be better if the higher echelons did supply them.

Officials in state economic agencies must lead the masses to achieve self-reliance, must go among them and kindle the fire of self-reliance, and must encourage them to achieve great upsurges in production.

To highly display the spirit of the "arduous march" and thoroughly implement the party's revolutionary economic strategy, officials in state economic agencies must also establish the trait of working and living in a combative manner with an indomitable spirit as well as the spirit of revolutionary optimism.

An indomitable spirit and a spirit of revolutionary optimism are the revolutionaries' unchanging faith and revolutionary will. Only people who have an indomitable spirit and a spirit of revolutionary optimism can resolutely march along the revolutionary road without hesitation or vacillation, facing any trial or difficulty. During the period of the "arduous march," the anti-Japanese revolutionary fighters had to overcome mounting difficulties and trials and had to risk sacrifices. Still, they did not complain or vacillate, and they lived and fought optimistically with the belief that the revolution would be victorious.

Just like anti-Japanese revolutionary fighters who resolutely fought with confidence and optimism, officials in state economic agencies must highly display the indomitable spirit and the spirit of revolutionary optimism in today's struggle to thoroughly implement the party's revolutionary economic strategy.

In the course of thoroughly implementing the party's revolutionary economic strategy, we may face trials and difficulties, and we may be assigned to difficult and

complicated tasks one after another. However, revolutionaries have no right to give up in the face of difficulties or to allow the slightest stagnation or standstill. Officials in state economic agencies must not be pessimistic or vacillate, no matter how unfavorable the conditions may be and no matter what difficult tasks they may be assigned to, but instead must positively carry out all work in a revolutionary manner, brimming with confidence and optimism. In particular, with a firm resolve and high-spirited battle command, officials in agriculture, light industry, and the export industry, as well as those in the coal mining industry, power industry, railway transportation, and metallurgical industry, must stand in the vanguard of the marching ranks, must achieve breakthroughs, and must march forward vigorously. When officials march forward carrying the red flag, only then can all the ranks move in high spirits, can the entire country be vibrant with a revolutionary spirit, and can the overall people's economy be boosted quickly.

All officials in state economic agencies must strongly unite around the great leader [widachan yongdoja] Comrade Kim Chong-il, resolutely live and fight in the spirit of the "arduous march," and thus, achieve a great victory in thoroughly implementing the party's revolutionary economic strategy and vigorously display the spirit of the socialist DPRK, which marches while flying the red banner high.

South Korea

ROK: Kantor's Remarks on 'Closed' ROK Car Market Cited

SK2706055996 *Seoul THE KOREA TIMES in English*
27 Jun 96 p 1

[Report by staff reporter No Chun-hon]

[FBI Transcribed Text] Korea represents the most closed market for automobiles in "all of the developed world," and more efforts are needed to get rid of the obstacles to market access by foreign cars, a top U.S. trade official said yesterday.

In a press conference, U.S. Commerce Secretary Mickey Kantor said the notion that American automakers were marketing large and luxury cars which were not suitable for Korea was simply not true.

"I have noticed a number of luxury cars and large cars made in Korea. I would suggest that if we got rid of the impediments, tariff and non-tariff barriers to U.S. cars, they would sell very well," he said.

He said a good example of improved market access is Japan where American cars are selling as well as they do in other parts of the world. "It is good for Korean consumers and it will lower prices. It will also ensure

that there is a level playing field between Korea and the United States," he observed.

While he would not put a percentage on the type of market share that the United States is looking for in the automobile market, he said he would like to have "as much as possible."

Kantor was in Seoul for two days of economic and trade diplomacy during which he met with President Kim Yong-sam and three Cabinet members, including Trade, Industry and Energy Minister Pak Chae-yun.

Before the meeting with reporters at the Korea Trade Center, Kantor visited Sinsegi Telecomm, a joint venture between Korean and American companies, which recently began providing digital cellular services.

Kantor said, "That is an example of what we need to do more of. It involves Korean and U.S. businesses working together in high technology areas, providing high-wage and high-skill jobs. It is good for both countries."

Moving on to the construction of the new international airport in Yongjong-to in Incheon, the former U.S. trade representative said the United States would like to work with Korea to seek an open skies agreement.

"In order to make the new Seoul airport the hub for international air travel and cargo in Northeast Asia, we would like to cooperate with Korea and try to reach and explore an open skies agreement. It would be in the best interest of both Korea and Pacific trade," he elaborated.

It is believed that one of Kantor's main objectives in visiting Korea, his first foreign trip after he became Commerce Secretary, is to secure greater participation in the airport project for American companies.

In addition, Kantor said, the United States would like to work with Korea and all members of the World Trade Organization and the Asia-Pacific Economic Cooperation (APEC) to reach an information and technology agreement which will eliminate all tariffs on high technology products by the year 2000.

Asked about Korea's chances of gaining membership in the Organization for Economic Cooperation and Development (OECD), he said the United States is staunchly supportive of Korea's entry this year.

"We work closely with our Korean counterparts in order to accomplish that goal," he said, but also noted that only one of the six subcommittees has reported favorably on Korea's acceptance so far.

He said there were a number of considerations, including intellectual property right protection and environmental and labor considerations. "It is our hope and

trust that Korea can convince all OECD members that its entry will be in the best interest of both Korea and the OECD. We believe it is."

ROK: KEDO Scheduled To Open Office in DPRK's Sinpo in Sep

SK0307111296 Seoul CHUNGANG ILBO in Korean
3 Jul 96 p 1

[By reporter Choe Won-ki]

[FBIS Translated Text] The Korean Peninsula Energy Development Organization (KEDO) office in which an ROK employee will be stationed will be set up in Sinpo, South Hamgyong Province, North Korea in September at the earliest.

A Foreign Ministry source said on 2 July: "Construction of the KEDO office will begin and be set up in September or October in Sinpo, South Hamgyong Province, which is the site for construction of the light-water reactor. The North side has also agreed to the opening of the KEDO office." This will be the first time that an ROK Government official has resided in North Korea and carried out quasi-diplomatic duties, even though in this case the official will be working as a KEDO employee.

The KEDO office — consisting of three working-level officials from the ROK, the United States, and Japan — will reside in the North and be in charge of consular protection of ROK workers; fulfill liaison activities between the North and KEDO; and carry out customs clearance of construction materials.

Prior to this, the sixth KEDO lot survey team will visit Sinpo around 6 July and carry out activities for one month.

KEDO plans to deliver daily commodities amounting to \$100,000 under the name of a gratuity to the residents of Sinpo on 10 July. An official of the light-water reactor planning team said on 2 July: "It has been confirmed that 500 households and one school situated near the lot for the construction of light-water reactor projects have been transferred to a different place."

ROK: DPRK Hastens Normalization With Japan, Taiwan

SK0307062596 Seoul SEOUL SINMUN in Korean
1 Jul 96 p 20

[Article by Yu Un-kol: "Pyongyang Increases Diplomatic Efforts to Normalize Relations With Japan and Taiwan, as Well as the United States"]

[FBIS Translated Text] Since the beginning of this year, North Korea has begun to employ an active offensive in

its external relations strategy, which so far has been passive, concentrating its diplomatic efforts on improving relations with various countries. Since April, North Korea concentrated its efforts on improving relations with the United States, conducting missile negotiations and returning the remains of U.S. soldiers missing in action. In addition, North Korea is now actively contacting the Taiwanese and Japanese authorities, dispatching to these countries a vice-ministerial official and a working-level diplomatic official, respectively. Observers analyze the North Korean diplomatic offensive as its attempt to obtain more economic aid from foreign countries and to free itself from diplomatic isolation in preparation for Kim Chong-il's succession to power, which is expected soon.

In June, North Korea dispatched a delegation to Taiwan that included two vice-ministerial level officials such as Yi Song-nok, vice chairman of the North Korean External Economic Committee, and dispatched a delegation to Japan from the North Korean Peace and Disarmament Institute led by Kim Yon-kil, making many contacts for economic exchange and the establishment of diplomatic relations. North Korea and Taiwan, sharing some positions and common interests, have pushed ahead with the improvement of their relations so rapidly that the PRC even put the brakes on it. North Korea is using the Taiwan card against the PRC, which established diplomatic relations with the ROK in the face of North Korea's objection; Taiwan is using the North Korea card as a grudge against the ROK, which established diplomatic relations with the PRC, thus abandoning Taiwan, and as a means to contain the PRC. North Korea has been successful in its use of the Taiwan card, for North Korea has managed to obtain considerable assistance from the PRC.

To relieve itself of food shortages and economic difficulties, North Korea is going out of its way to please Taiwan, which is in a position similar to North Korea. Having an eye on the enormous Taiwanese foreign exchange reserve of \$80 billion, the second largest in the world, North Korea is hoping to receive Taiwanese economic assistance, to prompt Taiwanese businessmen to invest in North Korea, and to attract Taiwanese tourists.

The moves toward improved relations between North Korea and Taiwan, which were made in a secretive manner, reached a turning point in 1994 when Taiwanese parliamentarians visited the North as part of a tourist group. In March last year, Kim Ung-yol, vice chairman of the External Economic Cooperation Promotion Committee, visited Taiwan. In May 1995, the External Trade Development Association (CETR), Taiwan's state-run trade promotion organization, dispatched a market survey team to North Korea. This increased the promoting

of relations between the two sides. In April, prior to the visit to Taiwan by Yi Song-nok and his entourage, a North Korean international tourist office was established in Taipei.

Both Taiwan and North Korea tried to be secretive in pushing ahead with Yi Song-nok's visit, describing it as an unofficial visit so as not to provoke the PRC. However, the PRC, having noted out-of-the-ordinary signs as regards North Korea-Taiwan contacts, issued a warning through a Foreign Ministry spokesman statement on 25 June that the PRC Government "opposes any official relations or contacts between North Korea and Taiwan that exceeds trade and other unofficial exchanges, calling attention to the One-China Principle." In response to the Chinese warning, the North Korean delegation led by Yi Song-nok suddenly canceled its planned visit to the Taiwanese Foreign Ministry.

Brisk exchanges are taking place between North Korea and Taiwan these days. Taiwanese tourists are going on sightseeing tours of North Korea by chartered plane. A regular Pyongyang-Macau-Taipei flight is expected to open in September. North Korea has reportedly asked Taiwan for \$10 million in food aid.

North Korea is also hastening to hold negotiations for diplomatic relations with Japan.

According to a report from Japan's JJI News Agency, a North Korean delegation led by Yi Chol-chin, director of the Japanese Section of the Ministry of Foreign Affairs of North Korea, and Kim Yon-ki, advisor at the Disarmament and Peace Institute, which is now on a visit to Japan, met with officials concerned at the Research Institute of International Affairs, an auxiliary organization of the Ministry of Foreign Affairs of Japan, and urged the resumption of talks on establishing diplomatic relations at the earliest possible date. The talks for normalizing relations between North Korea and Japan were suspended in 1992, when the Japanese side protested over the Yi Un-hye case which was closely associated with the bombing of a Korean Air Line plane.

But, this issue has surfaced more rapidly with the North Korean delegation's current visit to Japan as an occasion.

A full-fledged North Korea-Japan contact on resuming talks for normalizing relations is expected to begin in earnest following the North Korean economic delegation's visit to Japan mid-month.

North Korea says that the purpose of this economic delegation's visit to Japan is to attract Japanese investment in the development project of the Tumen River. However, considering the fact that the delegation is led by Kim Chong-u, vice chairman of the External Economic

Committee and close confidant to Kim Chong-il, most observers feel that the delegation will discuss weighty issues during its visit.

North Korean figures are highly likely to use unofficial contacts with the Japanese side, to ask for Japanese civilian organizations to provide additional food aid.

However, it is a general observation that North Korea's approach to Taiwan and Japan will not proceed as smoothly as intended. This is because North Korea needs China's approval prior to enhanced relations with Taiwan, and Japan's pressure on North Korea to accept the four-way talks proposal presupposes its negotiations with Japan for normalizing relations.

In addition, North Korea dispatched Foreign Minister Kim Yong-nam to the Middle East last May and to Colombia in South America last month. North Korea also dispatched Kim Kwang-chin, first vice minister of the Ministry of People's Armed Forces, to Indonesia, and Hyon Chun-kuk, director of the International Affairs Department of the party Central Committee, to Cambodia. Thus, North Korea is waging brisk diplomatic activities to find ways to promote bilateral cooperation with these countries.

ROK: Japan Reportedly Refuses DPRK Request for More Rice

SK0307043496 Seoul HANGYORE SINMUN
in Korean 3 Jul 96 p 2

[Report by Tokyo-based correspondent Pak Chong-mun]

[FBIS Translated Text] On 2 July, a well-informed diplomatic source in Tokyo said the Japanese Government has turned down North Korea's request for additional rice aid for now, professing North Korea must first consent to four-way talks on the Korean peninsula.

During a meeting with a Japanese Foreign Ministry official at the end of June, Yi Chol-chin, head of North Korean Foreign Ministry's Japan desk, called for the early holding of normalization talks between North Korea and Japan as well as for additional rice aid. Yi Chol-chin visited Japan at the invitation of the Japan Institute for International Affairs. However, Japan turned down its request by stating that North Korea should first accept the four-way talks before offering another round of rice aid.

ROK: MNU Denies Report on DPRK's Allowing Private Enterprises

SK0307042396 Seoul HANGYORE SINMUN in Korean 3 Jul 96 p 2

[Report by Pak Chan-su]

[FBIS Translated Text] Reacting to the ITAR-TASS report that North Korea has officially allowed the operation of small self-employed enterprises, termed "Kanaebang," a relevant official of the Ministry of National Unification (NMU) revealed on 2 July that there is no information indicating North Korea has allowed the operation of small enterprises, stating: "'Kanaebang' refers to a farmers' market that has existed for some time in North Korea."

The official said: "From the 1950's, North Korea has allowed the opening of a farmers' market three times a month, and some daily necessities have been sold in the market. However, the authorities banned the sales of such crops as rice and corn." He added: "However, since 1993 a farmers' market has been held daily, and food transactions have been made in the market due to economic hardships. The report may have mistakenly taken this market as the operation of self-employed enterprises."

ROK: ITAR-TASS Report of DPRK Reforms 'Gross Exaggeration'

SK0307112296 Seoul SEOUL SINMUN in Korean 3 Jul 96 p 7

[Article by reporter Ku Pon-yong: "North Korea Allows Self-Employed Businesses and Experiments With Capitalism"]

[FBIS Translated Text] Signs of change have recently been emerging in North Korea one after another, which attracts attention.

A good example is the report that North Korean authorities have officially begun to allow self-employed businesses called "homework shops" [kanaebang]. The ITAR-TASS News Agency of Russia reported from Pyongyang on 1 June that some people have begun to open street stands in Pyongyang and its suburbs and sell food and clothing made at home.

The ROK Government recently obtained information that North Korea seeks an innovative change in its socialist collective farm system. Chinese intelligence sources provided this information, which notes that North Korea has distributed some land to 10-household units in some areas and allowed them to independently produce goods and sell them.

The ROK Government, of course, believes the ITAR-TASS report is a gross exaggeration. It speculates that in reporting on peasants' markets, which North Korean authorities first allowed in 1958, the news agency may have mistaken "household work teams" for homecraft shops. Under the household workteam system, some households manufacture goods with materials supplied by local plants and deliver them to the state. The government further speculates that some of the goods are smuggled into local markets.

Nevertheless, more and more people interpret these phenomena as signs indicating that North Korean society is becoming accustomed to capitalist market principles. North Korea has allowed each county to open a market three times a month (on the first, 11th, and 21st day of each month). However, markets open in suburbs of big cities every day these days. Those people say that this in itself is a big economic change. It is noteworthy that these signs of change are appearing at a time when the second anniversary of Kim Il-sung's death is just around the corner. Some people think these changes reflect Kim Chong-il's awareness that he will not be able to maintain his power without revising the economy, which is taking a nosedive.

A majority of people believe these signs are not strong enough to be a prelude to a conversion to a Chinese-style socialist market economy. This is because, as if walking on shallow ice, North Korea is cautiously adding such capitalist factors as profit incentives to its socialist economy.

It is difficult to deny that the fortress of "our-own-style socialism" based on the rationing system and the chuche idea is crumbling from the outside. Therefore, these partial and gradual changes forecast significant changes in the North Korean system.

The Kim Chong-il regime may seek to revive its economy without making political reforms. However, it is generally speculated that economic reforms would weaken the chuche idea and, eventually, change the North Korean system.

ROK Plans To Begin Supplying Powdered Milk to DPRK in Jul

SK0307011396 Seoul YONHAP in English 0114 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — With the consent of North Korea, South Korea will begin supplying powdered milk to the North in mid-July to help feed needy children in North Korea.

North Korea, dropping its insistence that it be provided with cash, rice, beans, flour and cooking oil, has recently

indicated a readiness to accept powdered milk from the South.

The notification came through the International Federation of Red Cross and Red Crescent Societies and UN agencies.

The first batch of 36 tons of non-fat powdered milk will be shipped to North Korea in mid-July, officials at the Agriculture, Forestry and Fisheries Ministry and the Korean National Red Cross said Wednesday.

It will be the first powdered milk shipment the South has offered to the North.

The dry milk being shipped to the North this month is separate from the 200-odd tons of powdered milk worth 1 million U.S. dollars the government has committed to sending to the North as part of the United Nations' second-phase aid package.

It is a contribution made independently by the Korean National Red Cross.

As to the powdered milk to be shipped through the United Nations, the North Koreans have requested that nutritive elements like vitamins be added to the skim milk, indicating just how seriously malnutrition is affecting children in the North.

The government has informed Pyongyang through international organizations that it cannot comply with the request due to high cost and technical difficulties. It will start shipping the aid as soon as the problem of adding vitamins to the milk was settled, officials said.

ROK: DPRK Trying To Divert Attention From Economic Difficulties

SK2706061896 Seoul THE KOREA HERALD
in English 27 Jun 96 p 2

[Report by staff reporter Pae Un-cho]

[FBIS Transcribed Text] North Korea is trying to divert public attention from its economic pinch by intensifying propaganda and vilifying its archrival, South Korea.

The North Korean news media, which disseminate the communist ideology, are now frequently used to divert the attention of its people away from their economic hardships, said an official at the Ministry of National Unification.

The official said that the North Korean Government produced a short film last month showing how abundant life is in North Korea when compared to that in Russia.

In the documentary, the benefits a North Korean family receives from the state were juxtaposed with the eco-

nomie difficulties a Russian family endures, the official said.

The North Korean family receives 2,289 won in financial support from the state, whereas the family in Moscow cannot afford adequate education or medical treatment because the Russian Government has stopped subsidizing them since adopting capitalism several years ago.

"This documentary was unique because North Korea, for the first time, tried to propagandize by presenting a specific amount of money granted to its people," he said.

The film's narrator notes that the North Korean Government subsidizes the family with 400 won a year to purchase rice, while the family spends only 60 won for the purchase.

"The North Korean Government is trying to appease famine-stricken North Koreans by indoctrinating within them a belief in the superiority of the communist regime and the dangers of transforming into a capitalist country," he said.

Such North Korean propaganda is in sharp contrast with economic realities in the North.

The North Korean economy, which has been shrinking for the last five years, contracted 4.6 percent last year, according to an estimate by the South Korean Ministry of National Unification.

More frequently during that period than ever before, a ministry official said, North Korea slandered the South Korean Government and instigated South Korean students and workers to rise up against it.

The official said that North Korea has recently increased propaganda praising its communist rule, calling itself the "land of free education, free medicare and no taxes."

But in reality, the ministry official said, many North Koreans are suffering from malnutrition resulting from food shortages.

"Many elderly people in North Korea have crooked backbones because of malnutrition, and some people in their 20s appear 13 and 14 years old (in height and weight)," he said.

As malnutrition is spreading across the country, he said, North Korea has had to lower the physical requirements to join the military forces.

"The minimum height required to enter the North Korean Armed Forces has been reduced by 10 cm," he added.

The North Korean economic condition is reflected in the black market where business is flourishing as an increased number of North Koreans secretly trade their possessions for food, he said.

"Rice is sold for up to 200 times its official price on the North Korean black market," he said. "Liquor, cigarettes and bronze ware are the most popular items bartered for rice."

Food shortages are so severe that North Korea has also recently introduced various ways of cooking herbs and grassroots, calling them nutritious health foods.

Residents in Pyongyang were scouring, which visited North Korea to examine the severity of food shortages last month.

ROK Daily Analyzes DPRK Trends in 1st Half of Year

SK0107052796 Seoul HANGYORE SINMUN
in Korean 30 Jun 96 p 6

[Article titled "North Korean Trends in the First Half of 1996," with Kim Yon-chol, researcher at the Institute of Peace Issues, writing on political and economic trends; reporter Pak Chon-su writing on foreign relations trends; and reporter Kim Song-kol writing on military trends]

[FBIS Translated Text] Editor's note: Although no particularly unusual moves have been detected inside North Korea this year, the economic difficulties have worsened and the overall governing system has become lax. This article analyzes how North Korea moved in the political, economic, foreign relations, and military sectors to overcome these problems.

Political and Economic Trends

North Korea's politics are currently in a transitional period, operating in the form of an emergency organization. The presidency is still vacant, and the Supreme People's Assembly has not convened since the death of President Kim Il-song on 8 July 94.

The function of the official state administrative organizations has been weakened, while the military's political influence has been strengthened. The founding day of the Korean People's Army has been upgraded to a national holiday. Most of Secretary Kim Chong-il's official schedule consists of visits to Army units. The priority for state policy is crisis management mainly through the military.

Secretary Kim Chong-il's succession to power is likely to be postponed until after July 97, rather than being in July this year. Even though North Korea's 1996 New Year's joint editorial described this year as the third year since Kim Il-song's death, the 8 June NODONG

SINMUN editorial used the expression "second anniversary" of his death.

It is believed that North Korea changed the calculation method of the three-year mourning period to postpone the rule by Kim Il-song's will for one more year in the transitional period.

The postponement of the transitional period can be interpreted as a choice of the North Korean leadership considering the current situation, rather than a sign of irregularity in the power structure. The reason for this interpretation is, first, there is no particular sign of irregularity in the power structure. There is no significant change in the order of appearance at the rostrum in official events. In the case of Premier Kang Song-san, who did not make public appearances recently, he is believed to be ill. This speculation is backed by the fact that external messages are being sent in his name.

Second, it has become obvious that the objective of the rule by Kim Il-song's will is to prepare for succession. The ideology to cherish the memory of Kim Il-song is changing into the ideology to commend Kim Chong-il to the throne.

Despite the ability to actively adjust the political schedule, signs of a social economic crisis have increased. State control over society has weakened, and the ability to manage the planned economy has dwindled. The operating rate of plants has dropped, and the material supply system has been paralyzed.

The rationing has also been irregular or suspended. As a result, private trade in material and food has expanded, and more people are pursuing private profit.

The North Korean leadership has dealt with such social economic moves in three ways: Implicit approval, persuasion, and suppression. The cases of implicit approval can be found from the relaxation of travel restrictions and market transactions of rice and other daily necessities.

Stressing ideology to overcome the current crisis is a way of persuasion. The slogans "the spirit of the Arduous March" and "live today for tomorrow" first appeared in the 1996 New Year's joint editorial. These slogans admit the current crisis and urge the people to endure hardships. The ideology of "revolutionary obligation" and "comradely love" is stressed to deal with the pursuit of private profit. Suppression is shown in the measure sentencing economic criminals involved in private dealings to capital punishment.

Of these three countermeasures, persuasion has been and will be emphasized. The question is whether to

choose implicit approval or suppression. In fact, implicit approval was inevitable in a situation where the state's planning ability has been weakened.

The relaxation of travel restrictions and private trade of food is due to the crisis in rationing. When the official supply system does not work properly, individuals have to survive using a nonofficial system. Under such circumstances, the North Korean leadership is at the point where it must make the choice between suppression and making the implicit approval official.

There is a limit to the suppression policy, which would cause cracks in the regime. Making official the implicit approval for social changes can be called reform.

For example, the North Korean Government could allow individual farmers (or team) to sell a certain portion of the produce in its agricultural policy, or it could decentralize the plant management. Such reform policies have due social costs. This is North Korea's dilemma, making it postpone the "groping period." The external environment is another variable. As long as South Korea adheres to a high-handed policy on the North, North Korea is likely to choose suppression rather than reform.

Foreign Relations Trends

As in the last year, North Korea's foreign relations in the first half of this year focused on improving relations with the United States, and they have been successful to a certain degree.

The outstanding achievements in negotiations with the United States are the missile talks and the negotiations on repatriating the remains of U.S. soldiers.

Even though the North Korea-U.S. missile talks held in Berlin on 20 April ended without an agreement, the fact that talks on limiting missile exports and development began is significant.

The negotiations on excavating and returning the remains of U.S. soldiers missing in action (MIA) from the Korean war saw some progress, and the sides agreed to work on excavations this July and September. Following working-level negotiations on 14 June, North Korea's Central Broadcasting immediately reported on the agreement, stating: "We expect the agreement will contribute to building confidence between North Korea and the United States and promoting relations between them."

North Korea's sincere attitude in the MIA negotiations shows that it has great expectations for the improvement of North Korea-U.S. relations.

Another significant event in North Korea-U.S. relations is the visit to the United States by Yi In-mo, the 79-year-

old, longterm unconverted prisoner in the South who returned to the North in 1993. Yi went to the United States on 29 May and received medical treatment at the Washington Mt. Sinai Hospital for nearly a month. It is very exceptional for the United States to issue a private visa to a North Korean civilian. This is viewed as a symbol of the improvement of relations between North Korea and the United States.

North Korea's efforts to resume negotiations on establishing diplomatic ties with Japan have also become tangible. It was reported belatedly that Yi Chol-chin, head of the North Korean Foreign Ministry's Japan Section, and Koro Bessho, head of the Japanese Foreign Ministry's Northeast Asia Section, held secret talks in Beijing in March to discuss resuming negotiations on diplomatic ties.

Yi Chol-chin visited Japan on 24 June to attend a seminar, and he met again with Bessho. Yi strongly asked for the resumption of talks on diplomatic ties, but Bessho reportedly urged North Korea to first accept the four-way talks. North Korea's Central Broadcasting strongly denounced this, stating: "The Japanese authorities are cooperating with outside forces without independence, and are delaying the resumption of talks."

Even though the contact was not successful, it is believed that working-level preparations have made more progress. An official of the ROK Ministry of National Unification said: "The fact that the contact venue between working-level officials Yi Chol-chin and Bessho shifted from Beijing to Tokyo is very significant. Japan is adjusting its pace in contacting North Korea considering the ROK, but the working-level contacts will continue." North Korea is speeding up the establishment of diplomatic relations with Japan because it urgently needs food and economic aid. Despite China's aversion to it, North Korea recently sent a vice minister-level delegation to Taiwan and promoted sports exchanges. This is also believed to be aimed at aid from Taiwan. The food shortage and economic difficulties have become an important parameter for North Korean foreign relations.

Military Trends

North Korea's Secretary Kim Chong-il visited an Army unit on 24 June, one day before the Korean war anniversary. According to North Korean Central Broadcasting, he visited the North Korean rear base Unit No. 770 and inspected the greenhouse, stock farms, and fish farms. He said: "Providing servicemen with better living conditions is one of important undertakings for increasing the unit's combat power."

It was the 10th visit of Secretary Kim, North Korea's supreme leader, to Army units this year. Secretary Kim made public appearances on 33 occasions in 1995, with 17 of them, or 50 percent, related to military events.

Secretary Kim's frequent visits to Army units are to promote military morale, but they also suggest that he relies on the military to maintain his power. The North Korean military followed Secretary Kim's intentions and intensified ideological armament and basic combat training during the past six months. The North Korean military also staged a show of force near the Military Demarcation Line (MDL) to incapacitate the Armistice Agreement.

The North Korean military conducted "military regulations class" from April to June this year. The course reportedly included ideological indoctrination and military skills education, and stressed loyalty toward Secretary Kim.

This does not mean that all military regulation classes are ideological education. The military regulation classes also include marksmanship, platoon training, and other courses that are imperative for every unit. Thus, basic military training was also conducted during this period.

Another significant move of the North Korean military is the show of force near the MDL. Following North Korea's announcement invalidating the Armistice Agreement, it staged show of force on land and sea.

In early April, North Korea dispatched 240-250 troops to the security area north of Panmunjom and conducted exercises to prepare positions. According to the Armistice Agreement, only defensive weapons, such as handguns, are allowed into this area, but North Korea positioned machine guns, mortars, and other heavy weapons at night, deliberately violating the Armistice Agreement.

Following the ground provocation, North Korea staged another show of force at sea. North Korean patrol boats crossed the northern limit line four times, and torpedo boats crossed the line five times this year. The ROK Defense Ministry believes that some of the North Korean boats may have crossed the line by mistake, because the water boundary is not clear, but the violation by seven torpedo boats on 23 May was obviously a deliberate intrusion.

North Korea expressed its position to invalidate the Armistice Agreement by such a show of force. This also indicates that the North Korean military is leading the tactic to press the United States in order to create a need for a separate military dialogue channel between North Korea and the United States. It is uncertain whether

North Korea will continue such show of force in the second half of this year. Following the defection of a fighter pilot, whose class was believed to be well armed with ideology, the North Korean military reportedly started an internal reevaluation. After the reevaluation, the North Korean military is likely to define its tasks for the second half of the year in accordance with the development of North Korea-U.S. relations.

ROK: Korean MIA's, POW's From Korean War Total 'Around 20,000'

SK0307055196 Seoul YONHAP in English
0542 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — The number of South Korean troops missing in action (MIA) or taken prisoner during the Korean war turned out to be around 20,000, way fewer than previous estimates, according to statistics compiled by the Defense Ministry Wednesday.

Of the 88,466 people originally listed on the MIA roster, more than 42,000 were found to have been listed two or three times, and more than 22,000 were confirmed dead through notification by family members or testimony of comrades-in-arms, leaving more than 20,000 MIAs, ministry officials said.

Included in the 20,000-plus figure are more than 2,000 unconfirmed MIAs, whose families claim they served in the military during the war, but whose names are not located in the military register and other related records.

The 8,333 prisoners of war repatriated by North Korea in July 1953 were excluded from the tally.

The "Summary of the Korean War," published by the Defense Ministry's War History Compilation Committee in 1986, had given 82,318 as the total number of South Korean MIAs in the Korean war.

ROK: PRC Proves 'Increasingly Hard' for ROK Contractors

SK0207041596 Seoul THE KOREA HERALD
in English 30 Jun 96 p 10

[FBIS Transcribed Text] With the world's largest population and an active government campaign to build infrastructure, China looked like fertile ground for Korean overseas contractors.

Thus, when diplomatic ties between the two countries were established in 1992, a throng of Korean contractors had flocked to China in order to grab a slice of the potentially huge market.

But, over the past four years, the initial enthusiasm has almost evaporated as they find it increasingly hard to crack the market.

Some smaller companies without financial backing are even canceling projects and withdrawing from China, according to industry insiders.

"It is nearly impossible for Korean contractors to win contracts in China through a bidding process regardless of whether the works are private or public," said Pak Song-chin, deputy director of the overseas construction division at the Ministry of Construction and Transportation.

Surprisingly, Korean builders did manage to win a contract in China thus far; the construction division of Samsung Corporation is building a ring road in Shanghai financed by the Asia Development Bank (ADB).

"Invisible barriers are formidable," says Pak. "The barriers include the exclusive relations that Chinese construction companies have with their subcontractors as well as their collusive practice of rigging tenders."

Korean contractors also find that they are locked up between Chinese and foreign contractors, the latter represented by Western countries armed with high-tech engineering techniques.

"In the field of construction, the Chinese do not fall behind Korean contractors. Thus, it is hard for even well-established companies like Hyundai and Daewoo to compete favorably there," said Pak.

The difficulty in winning contracts through a bidding process led Korean contractors to turn to investment and development projects where they first pour money into building plants, high-rise buildings and housing, while recouping profits later.

Actually, the construction arms of Korea's largest business groups are competing to invest in the Chinese construction market. Just last week, Hyundai Business Group announced that they plan to invest \$2.3 billion by 1999 in various development projects in China.

Although there are differences in scale, rival business groups' interest in the Chinese construction market are not any less than Hyundai's.

"Big businesses are making investments in China in view of future prospects because they believe China has enormous potential," said Yi Sung-hun, an official of the International Contractors Association of Korea.

"China might turn out to be profitable for Korean contractors in the long term, but it is not the case right now."

According to figures released by the Korean Embassy in Beijing, 30 Korean construction companies have been involved in 33 investment projects in China as of the end of last year.

That has brought the total amount of investment in China by Korean construction firms to \$991 million. Last year alone, Korean firms poured \$588 million into China.

But, the fact remains that taking on investment and development projects in China is by no means easy.

"The climate for foreign investment in China is poor," said Choe Sung-chun, manager of the overseas business division at Byuksan Engineering Co.

Byuksan was one of the Korean builders that had actively pushed ahead with several housing development projects in Beijing and Guangzhou. But two years ago, it revoked all its projects and withdrew from the market.

"Among other things, requirements in capital investment were hard to meet and there were not just a few restrictions on the remittance of earnings to Korea," Choe said.

He added that his company would have been compelled to hoard substantial amounts of capital in China for 20 to 30 years.

"For a small construction firm like ours, it was highly risky. We concluded that the Chinese market was not profitable and I believe that it was the right decision," he said.

The Chinese bureaucracy's inconsistency in implementing policies was another source of frustration, Hoe said.

"For example, a government agency would approve our project and then another agency would disapprove it," Choe said. "Once a stumbling block was cleared, another barrier came up unexpectedly."

Statistics on the number of Korean contractors that have pulled out of the Chinese market are not available, but Pak of the Ministry of Construction and Transportation said that as far as he knew, there were some Korean contractors making profits in China.

"The Chinese market is clearly one of the hardest to penetrate in the world, but its future potential is enormous," Pak said.

So that Korean contractors can compete well in China, they are urged to keep the high technology that the Chinese do not own, he noted.

Pak also suggested that Korean contractors take on more development projects in remote coastal areas rather than urban areas.

"It is also important to build up personnel connections with local government officials in order to solidify their presence in the local community," he advised.

ROK: National Assembly Expected To Elect Speaker 4 Jul

SK0307062396 Seoul YONHAP in English
0623 GMT 3 Jul 96

[FBIS Transcribed Text] Seoul, July 3 (YONHAP) — The National Assembly is expected to elect the speaker and vice speakers at a plenary meeting Thursday [4 July] and go into recess, ending the one-month-long extraordinary session.

The ruling and opposition parties are to enter Wednesday the final phase of their tough negotiations to settle the politically-charged issues that blocked the leadership elections for the past month.

The rival parties have almost settled the issues of guaranteeing the political neutrality of law-enforcement agencies and forming an ad hoc committee on the recent general elections but are still at odds over how to form a special committee studying amendments to the laws governing general elections and parliament.

While the ruling New Korea Party (NKP) is for an equal share of lawmakers for both the ruling and opposition parties in the committee, with the opposition share including an independent lawmaker named by the opposition party, the main opposition National Congress for New Politics (NCNP) is against the inclusion of an independent lawmaker in the opposition share.

But the rival parties have already agreed, in principle, to elect the parliament's leadership Thursday, and the minor opposition United Liberal Democrats (ULD) supports the NKP's position on the issue of special committee forming.

Under the circumstances, the three parties are expected to agree in Wednesday's floor leaders' meeting that the NCNP will name an independent lawmaker to be included in the opposition share in the special committee, that NKP Chairman Yi Hong-ku will pay a call on NCNP and ULD Presidents Kim Tae-chung and Kim Chong-pil separately and that the three parties will make a joint public apology for having idled the parliament for the past month to pave the way to the assembly leadership elections Thursday.

ROK Political Parties Share Concerns About 'Worsening' Economy

SK2706061996 Seoul THE KOREA HERALD
in English 27 Jun 96 p 3

[FBIS Transcribed Text] Rival political parties, which have been bickering over the operation of the new National Assembly, are now voicing similar concerns about the nation's worsening economic situation.

While the inter-party dispute over the proposed political neutrality of law-enforcement agencies and alleged election frauds is paralyzing the legislature, both ruling and opposition parties are calling on the administration to come up with remedies for the ailing economy.

They are showing shared concerns about the economy at a time when various economic indicators are flashing red lights: Prices are rising, the current-account deficit is widening, and the stock price index is plummeting.

A ranking official of the ruling New Korea Party accused the administration yesterday of failing to cope with business cycles effectively.

Rep. Yi Sang-duk, chief policy-maker of the ruling party, contended that economic policy-makers failed to predict an impending economic slowdown because of their unfounded optimism.

The ruling party, he said, will work out policy measures together with the administration in the near future.

Initial measures will be taken when senior officials from the party meet with cabinet members tomorrow evening, he said.

The participants will include Rep. Yi Hong-ku, chairman of the ruling party, Prime Minister Yi Su-song and Deputy Prime Minister Na Ung-pae, also minister of finance and economy.

"We will demand a thorough review of overall economic policies when we meet with top administration officials Friday," he said.

The administration, he said, should take policy measures to slow the importation of consumer products and reduce spending by Koreans traveling abroad.

The policy proposals, he said, are designed to counter the worsening current account, with its recorded deficit of \$7.9 billion in the first five months of this year.

Contributing to the deficit was invisible trade, the imbalance of which almost doubled to \$2.32 billion in the first four months over the same period of last year.

To reduce the invisible trade deficit, the administration recently limited the maximum amount of money a credit

cardholder is allowed to spend abroad to \$5,000 a month.

Rep. So Sang-mok, an economist-turned lawmaker of the ruling party, took issue with the nation's balance-of-payments deficit.

"We cannot solve the balance-of-payments problem by adjusting exchange rates alone," he said. "We should factor in other policy variables, including the savings rate."

Ruling party Chairman Yi joined in criticism of the administration's economic policy and demanded the administration consult with the party before adopting an economic policy.

The main opposition National Congress for New Politics also demanded that the administration take measures at an early date to reinvigorate the economy.

Rep. Chang Chae-sik of the opposition said it is not desirable to administer shock therapy and that the administration should establish a long-term policy to help support small- and medium-sized companies.

Another opposition party, the United Liberal Democrats, also expressed concerns about an increase in foreign debts and capital outflow.

"It is a serious problem that capital, technology and other resources are flowing out of the nation (en masse)," said party leader Kim Chong-pil.

He also said an inappropriate mix of economic policies caused the nation's foreign debts to increase to \$90 billion.

Rep. Ho Nam-hun, chief policymaker of the party, accused the administration of implementing inconsistent foreign exchange policies.

The opposition suggested the administration should not hasten to join the Organization for Economic Cooperation and Development, a Paris-based club of advanced nations, which the party claimed is demanding deregulation at a faster pace than South Korea can afford.

It also proposed the administration slow its planned liberalization of capital movement.

Burma

Burma: Article Questions Suu Kyi's Means of Support

BK0207140596 Rangoon MYANMAR ALIN
in Burmese 28 Jun 96 p 4

[Article by Khin Than Myint: "Word as a Gift"]

[FBIS Translated Text] You celebrated your 51st birthday on 19 June. You are three years younger than me so Myint [I] will call you Suu. Coincidentally, our birthdays are on the same day and I had a small party at my home. It was not like Suu's grand birthday party, which was held in a large pavilion. I merely invited few friends over and treated them to Mohinga [rice noodle with fish soup]. I also made merits by offering morning alms to five monks.

On that day, as I reflected about my dry birthday party, Ko Ko's [my husband's] close friend came to the house. He said he was late for my birthday party because he had been attending Suu's birthday celebration. He said he hoped I, as a close friend, would understand and told me so many things about Suu's birthday celebration.

He talked about the arrival and departure of diplomats from the U.S. Embassy, British Embassy, Italian Embassy, French Embassy, and Western bloc nations in small and large cars; the presentations of big and small birthday gifts; the usual birthday greetings "Many happy returns of the day" [the preceding greetings in quotes published in English]; and the lively celebration. Suu, I am happy for you. I also came to find out that there were also young people who attended your birthday party, but I am not sure if they are party members. They were impressed by the senior personnel and diplomats so they took off their rings and bangles and presented them to Suu as birthday gifts. I think they were pretty excited by the birthday celebration.

Suu, I want to tell you what I was thinking about after Ko Ko's close friend left the house and how I sympathize with you. The number of people who came to my 54th birthday party was not important to me, but I feel sad whenever I realize that I had to celebrate my birthday without my beloved Ko Ko, Thagyi [elder son], and Thami Nge [younger daughter]. This is why I sympathize with you.

Ko Ko is in Kutkai on duty for the border area development programs, Thagyi is attending the Officer Training Course at the Defense Services Academy in Pyin Oo Lwin [Maymyo], and Thami Nge is attending the final year course at the University for Development of National Races in Ywathitgyi. All four of us were together in Yangon [Rangoon], but far away from our relatives. I felt something was missing when I celebrated

my birthday without Ko Ko, Thagyi, and Thami Nge. Suu, I tried to console myself by saying that they are far away from me because they are doing their duties and have to carry out their responsibilities, but that does not console me. I think Suu also feels the same way and I sympathize with her.

It would have been an entertaining and joyful event had Suu celebrated her birthday party together with her family members on the lawn in front of their Oxford house. One may not have to build a pavilion for the party and the party may not be similar to the one attended by 500 people, but it would be lively with your elder son playing guitar and younger son singing songs among the Oxford community. Wouldn't it, Suu?

Suu decided to live happily among the academic community with her children and husband. She had already forgotten and abandoned Myanmar [Burma]. Suu, why do you want to suffer mentally and physically? There is a saying that a woman who is separated from her son and husband; a country without a king; and a woman who is not married or who is separated from her husband are inappropriate.

Suu, if are looking for the fame, popularity, and wealth then I think you have already fulfilled your desires, and I also think that they should be enough for you. Ko Ko's friend also told me about the congratulatory notes on your qualities and prestige that were read out at the birthday party. You have been praised and honored for achieving various prizes from the Nobel Prize to other medium and small prizes and titles, including a honorary doctorate degree. It was told that no other Nobel laureates would be able to acquire the fame and popularity that you have, and that the fame and wealth of former Russian President Gorbachev and South Africa's Desmond Tu Tu are nothing compared to Suu's fame and wealth. Suu, is that true?

I have learned that the Nobel Peace Prize is actually conferred upon someone who strived to restore tranquility, and get rid of insurgency, oppression, and killings in a region or around the world. I have witnessed how Gorbachev's efforts disintegrated the strong Soviet Union. As far as I am concerned, this took place after the Western bloc groomed Gorbachev and presented him with the Nobel Peace Prize.

Suu, I have a question for you. Are you being separated from your family and sent to Myanmar and instructed by the Western bloc with an aim to break up Myanmar? Suu, look at the situation. After independence, the Communist, Karen, and Kachin groups ruled many parts of the country. They harassed, looted, and killed people, and planted mines. There was no peace, not even for one day. Due to the efforts of the SLORC [State

Law and Order Restoration Council] and the Defense Services, peace, which was never achieved before, has been attained in Myanmar. Myanmar lacked peace and tranquility for 40 years. You can witness that the people are now sleeping and eating well and that progress has been made in all aspects; but, you see, no one presented the Nobel Prize to the SLORC and the Defense Services for their efforts to rid the insurgency and fighting and to bring peace to the region of Southeast Asia.

Suu, it was so convenient for you. Suu's husband was a classmate of the former Czech President Havel's wife at the London University and they were very close. Suu won the Nobel Prize after a group led by this president proposed to nominate her, and the Western bloc, Suu's blood relatives, endorsed the nomination. Isn't it?

Suu, I beg you not to break apart this country the way Gorbachev broke apart the Soviet Union. Suu, you must have some compassion for all the Myanmar people who will face poverty and difficulties. Also, have regard for your father. I am worried because since your sudden arrival in Myanmar after having disappeared for 28 years, there have been four-eight [8 August 1988] disturbances, killings, lootings, and anarchy in the country. The country has been peaceful since the SLORC took control and administered the country, and Suu is now instigating people to be active and brave, and to rebel. I wonder whether Suu had been sent to Myanmar and instructed by the Western bloc on what to do, just like what the Western bloc did to Gorbachev. Suu, people who sympathized with and respected you have changed their minds because of your statements that went over the limit. Like the maxim that says that when someone talks a lot, he will show his true colors, you use a Western tone, have a Western behavior, and Western ideas.

The organizations that came to congratulate you during your birthday celebration were all from the Western bloc. Obviously, the organizations from the Eastern nations such as Thailand, Laos, Cambodia, Indonesia, Malaysia, the Philippines, and China did not attend your birthday celebration. One thing Suu needs to think about is that no matter how loud the Western bloc may be shouting about human rights and democracy, the East is East. It is not an easy task to introduce by force and implement human rights and democracy overnight. These are incompatible with the background, tradition, and culture of Eastern nations. It is clear that the Eastern countries and Myanmar have the same attitude on this. Moreover, Eastern nations understand the feelings of the Myanmar people. I am sorry to say this, but I will say this as if I am talking to my younger sister. Everyday, the Myanmar people realize that Suu's marriage is an unresolvable issue for her work. They have also realized

that marrying a English man is a disgrace to one's lineage and national prestige. Because of Suu's English husband, the people cannot trust and rely on her for state security and to keep state matters confidential. Although the Western bloc ignore this, Eastern nations understand it very well. For instance, if a Japanese or a Thai princess marries a foreigner and spend their lives overseas, no Japanese or Thai would accept this. Suu, this is why Eastern nations which understand this support Myanmar, an Eastern nation that observes the Bandung Conference Declaration and which has refused to obey the Western bloc.

Yes, if we look at the action of Suu's Japan [suu ye gya pan] one sees that Japan is pretending to do things to please the United States. Easterners can read each other's actions the way snakes can read each other's tracks. By cooperating with the United States, Japan saves a lot of money in defense. While the U.S. and England faced increasing war and defense budgets, Japan, which lost the war, strived for the economic development and became a world leader. The U.S. did not realize this and gave Japan importance in all areas such as in UN organizations and the World Bank. It told Japan to take more responsibility in the world affairs. What the U.S. does not understand is that Japan will remain implacable. This is because the U.S. dropped the first atomic bomb on Japan and not on Germany, a country of white-faced people who were also involved in the world war. As an Easterner, Myanmar can judge the Japanese mind.

That is why I beg you not to take part in a United States-directed sham, which is rejected by Easterners.

You have gained enough fame and popularity in the world. In terms of wealth you have obtained \$1 million from the Nobel Prize, different prizes, money — more than \$20,000 within six months — for writing articles in the Japanese newspaper, MAINICHI DAILY NEWS. You are well compensated for writing articles, which praise yourself and attack SLORC. So, it is like you are paid for writing nothing at all. What you are paid is like free money. That is why I wonder whether you are supported by the CIA through the newspaper. Now Myanmar entrepreneurs are unable to tolerate your comments. Suu, while you are writing articles and making thousands of dollars they are saying that you are destroying their business enterprises and working for your own interests, that is to make money and destroy the interests of Myanmar.

Although the Western bloc and the CIA are showering you with wealth through various means, I have learned that when they think the show is not going their way they usually come up with another melodrama. Suu,

you have to be careful. During the Vietnam War, they trained the traitorous exiled Vietnamese stooges, set up commando units, and secretly sent them into Vietnam. They scrapped this mission after many were killed and captured and later submitted a list saying that they were all dead, including the survivors. A few days ago, a newspaper report says more than 40 of these traitorous exiled Vietnamese are still alive and they are demanding their pay with interest.

This is why, to avoid this kind of danger I want to give these words to Suu, a younger sister, as a birthday present: Go back as soon as possible to Oxford to live peacefully with your husband and children. Happy birthday to you. (Please accept my sincere advice as a birthday present for you) (preceding sentence in parentheses rendered in English).

Burma: Hkamti Mass Rally Denounces 'Destructionists'

BK2806105596 Rangoon TV Myanmar Network
in Burmese 1330 GMT 27 Jun 96

[FBIS Summary] A mass rally attended by 22,420 people was held in Hkamti on 21 June to support the national construction endeavors of the State Law and Order Restoration Council (SLORC) and to denounce the destructionist elements.

Addressing the rally, U Aung, local elder and presiding chairman of the rally, praised the SLORC for achievements in establishing stability, law and order, and unprecedented peace in the country. He also cited efforts to develop the country's agricultural and industrial sectors and to preserve national culture and heritage. However, he said "a group of persons, who are unable to share in the joy of these achievements, are taking advantage of the government's tolerance and benevolence, and are moving gradually toward the path of confrontation." He added that "the destructionists are pushing the nation toward a bonfire" and "they must be opposed, ostracized, and removed and be treated as the common enemy."

He said "those obstructing national progress and the minions relying on foreign powers and destroying the race must be regarded as enemies." Concluding his speech, he called on the people to "jointly crush the destructionists who are interfering in internal affairs."

Next U Mya Saung, township statistical officer, tabled the motion to support the national construction endeavors of the SLORC and to denounce the destructionists. The motion was seconded by district hospital nurse Daw Nyan Khin Tin.

The rally ended after the motions were endorsed.

Burma: Rebel Groups Reportedly Unite To Fight Rangoon Government

BK0107032396 Bangkok BANGKOK POST
in English 1 Jul 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Mac Hong Son — Four ethnic resistance groups with more than 10,000 members have joined forces to fight the Rangoon Government, according to a Shan rebel in Ho Mong.

The Shan State National Army, the United Wa State Army, the Shan State Army and the SRA [expansion unknown] last month agreed to merge and be known as the Shan State Peace-keeping Council.

The rebel said the council had mapped out several strategies to tackle Burmese soldiers who allegedly had robbed the Shan community in Ho Mong the former stronghold of drug warlord Khun Sa.

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Mahathir Comments on West's Blaming Him for Problems

BK2906094396 Kuala Lumpur THE STAR in English
29 Jun 96

[Report by Hah Foong Lian — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — Datuk Sri Dr Mahathir Mohamed said developed countries seemed bent on blaming him for problems faced by Malaysia.

The Prime Minister said a lot of articles, including a book written recently, gave the impression that he was a "devil."

"I do not know why the Westerners are so angry and put the blame on me. I was (even) accused for the deficit in the balance of payment," he said on Thursday upon his return from a three-week vacation abroad.

"Apparently, I built this and that monument, mega projects like Bakun and I behave like a megalomaniac," he added.

Dr Mahathir said he could not understand the "hatred" that developed countries had for Malaysia.

However, he said, it was the developed countries which were behaving like megalomaniacs by building huge aircraft and modern weapons, which they would force developing countries to buy.

"If we start to buy them, we would then be accused of starting an arms race," he added.

"Like in the Financial Times or in a book written recently, all of them had directed (their criticisms) at me.

"It is as if I was the only person in Malaysia, when (in fact) everyone acted in concert (in the projects)," he said.

However, Dr Mahathir explained that decisions made on mega projects for the country were a collective responsibility by the Cabinet.

"I can assure that sometimes the Cabinet does not agree with me, and I have to go along with their decision," he said.

He was made to be seen as having disagreed with his deputy Datuk Sri Anwar Ibrahim on the RM [Malaysian ringgit] 13.6 billion Bakun hydroelectric dam project, he said.

He added that such talk was brought about to give the impression that Malaysia was not a stable country.

However, he said, Malaysia was a fortunate and stable country which had achieved tremendous growth.

"This has, somehow or other, attracted some kind of envy or dislike for the country, and what has been written about Malaysia is grossly unfair," he added.

However, he noted that whenever he met leaders abroad, they were full of praise for the country.

During his three-week vacation, he said, the country's multi-media supercorridor (MSC) had attracted the attention of computer companies.

He said a computer animation company in Vancouver, Reboot Corporation, had indicated interest in the nation's MSC.

Malaysia: Government Appeals Against Court Declaration on Bakun

BK2906095096 Kuala Lumpur THE STAR in English 29 Jun 96

[Report by Esther Ng and M. Krishnamoorthy — received via Internet]

[FBIS Transcribed Excerpt] Kuala Lumpur — The Federal Government and Department of Environment (DOE) director-general have filed their notices of appeal to the Court of Appeal against a High Court declaration over the Bakun hydroelectric project.

The Sarawak Government and state Natural Resources and Environment Board also filed their notices of appeal at the High Court registry here yesterday.

On June 19, High Court judge Datuk James Foong granted a declaration that the project developer, Ekran

Bhd [Limited], must comply with the Environment Quality Act (EQA) 1974 before it carried out construction of the project.

This included Section 34(A) of the Act and/or guidelines prescribed by the DOE director-general under the Act.

Foong also declared as invalid the Environment Quality (Prescribed Activities) (EIA [Environment Impact Act] Amendment) Order 1995 gazetted by the Minister of Science, Technology and Environment which transferred the approval of EIA for projects in Sarawak, including the Bakun project, from federal jurisdiction to the state.

The High Court had granted the declarations in a 44-page judgment following a suit brought by three longhouse residents in the Belaga district — Kajing Tubek, 39, Tahu Lujah, 70, and Saran Imu, 48 — against Ekran, the DOE director-general, the Federal Government, the Sarawak Government and state Natural Resources and Environment Board.

Ekran filed its notice of appeal a day after the judgment was delivered.

Meanwhile, Energy, Telecommunications and Post Minister Datuk Leo Moggie warned that the people would have to bear the increase in cost if the Bakun project was further delayed.

"As the construction of the Bakun Dam costs more than RM [Malaysian ringgit] 13.6 billion, any delay will have to be borne by the public.

"This is a massive project and there should be minimum delay in such a project," he said in an interview.

He supported Prime Minister Datuk Sri Dr Mahathir Mohamed's comment on Thursday that the project was being kicked about like a football and that delays cost the nation money.

Dr Mahathir said the project should not be delayed because it was meant to control the rising cost of electricity.

For this reason, Moggie said, the government had directed the Attorney-General to immediately file an appeal against the High Court decision on carrying on construction activities until Ekran Bhd complied with the Environment Quality Act. [passage omitted]

Singapore

Singapore: Editorial Views U.S. Opposition to UN's Butrus-Ghali

BK0107032696 Singapore THE STRAITS TIMES in English 1 Jul 96

[Editorial: "What's America Doing to the UN?" — received via Internet]

[FBIS Transcribed Text] Something ugly is going on at the United Nations. Its Secretary General is being pitted against the organization's most influential member. The United States wants Dr. Butrus Butrus-Ghali out when his five-year term expires at the end of the year.

The UN chief is digging in his heels, insistent that his job of reforming the world body be not left half done. This happens to be the Americans' source of unhappiness: that he has been slow or resistant to reducing its vast bureaucracy and wasteful spending. In his defense, Dr. Butrus-Ghali can claim some credit for the institutional reform he has started on, with staff numbers at headquarters reduced to take pressure off the operating budget. Chopping jobs is never easy in a supranational agency with imprecise lines of accountability, which provide ideal conditions for fiefdoms to grow in its extended family stretching from New York to Rome, Geneva, Paris and Vienna. Not good enough, says the US. The UN is a hydra-headed monster with its special agencies and committees for which no secretary general past or present can be held responsible, the defense will contend. Alas, such proposition-and-opposition antics belong in school debating clubs.

The issue of waste in the UN is important and should be tackled purposefully. This is the Americans' strong point. But it would be obvious to all bar the pig-headed that this unseemly squabble would not resolve its ossified fiscal indiscipline even if the US does manage to get the incumbent out and install someone with sharper cost-cutting skills. Here, the Americans are looking downright churlish. Reductions in the number of paper-churning agencies and "expert" staff appointments of all sorts can only be done by evolution, not revolution.

The UN has stumbled along for 50 years. Far from putting the spotlight on Dr. Butrus-Ghali's deficiencies as a chief executive, of which there would be a few, the tenor of the quarrel is instead drawing attention to the Americans' lack of moral candor. This is ruining what, for them, should be a case worthy of consideration by the entire UN membership.

Simply put, the US has compromised its legitimacy in leading the fight against profligacy because it is the UN's own worst debt delinquent. A member which refuses to pay up the US\$1.5 billion (\$\$2.1 billion) it

owes in dues (more than half of the total US\$2.6 billion owed by member states) must expect derision when it demands that the Secretary General watch his spending. Secondly, making the succession issue a hostage to Washington's election-year power struggle between the president and Congress is being dishonest. Dr. Butrus-Ghali was right to be incensed at a suggestion by the US Secretary of State that he accept a one-year extension to his term and then go quietly. If this is intended to humor blinkered Republicans such as Senator Jesse Helms, who think the UN is taking the US for a sucker, the Clinton campaign people may realize too late that this might not harvest that much goodwill from American voters. The harm done to the UN's standing would linger, however.

Above all, the Americans cannot in all seriousness expect to satisfy the one ingredient for credibility in their case against Dr. Butrus-Ghali: that any of the contenders mentioned so far as a probable secretary general can accomplish quickly and without a hitch the task of cutting the UN down to size. If it is, then, to bring in a chief executive amenable to US prodding, the UN would come off worse than just having money problems. If their choice for successor gets vetoed by any of the other Security Council permanent members scandalized by the manhandling of Dr. Butrus-Ghali, the world would be entitled to ask: what has this been for? Unless the US can offer more convincing reasons than a failure to keep a better house, the campaign to have Dr. Butrus-Ghali replaced must begin to look personal.

The US pulled the we-want-our-way stunt in Nato and the OECD [Organization for Economic Cooperation and Development]. The United Nations is much more important. On a point of principle, the Americans should not be allowed to toy with it.

Cambodia

Cambodia: Hun Sen Agrees To Pardon Jailed Journalist

BK0307092196 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 3 Jul 96

[Letter from First Prime Minister Hun Sen to His Majesty King Norodom Sihanouk; dated 2 July — read by announcer]

[FBIS Translated Text] Respectfully to His Majesty King Norodom Sihanouk Varaman, king of the Kingdom of Cambodia.

Your Majesty: I received today the letter your majesty sent me requesting a pardon for Chan Ratana, SAMLENG YUVEAKCHON KHMER editor, who was sentenced by the court to imprisonment for his irrefutably

concrete and serious offense against the two prime ministers.

I support your majesty's view and will follow it. I would also like to express my most profound respect and admiration for the clemency that your majesty always granted your children who have committed offenses, even though such offenses affected your majesty personally.

I would like to express my most profound thanks for the justice that your majesty has provided me in this letter and for the trust that your majesty always has in me.

Please, your majesty and the revered supreme queen, accept the most honest salutations and faithfulness from my wife and me.

[Dated] Phnom Penh, 2 July 1996

[Signed] Hun Sen

Cambodia: King Thanks Prime Ministers for Pardoning Editor

BK0307094796 *Phnom Penh National Radio of Cambodia Network in Cambodian*
0500 GMT 3 Jul 96

[Letter from King Norodom Sihanouk to First Prime Minister Ranariddh and Second Prime Minister Hun Sen; dated 3 July — read by announcer]

[FBIS Translated Text] Most respected and beloved Samdech:

I would like to express my deepest gratitude for your generous and noble agreement to pardon Chan Ratana, who committed serious and irrefutable offenses against the two samdech.

I am especially moved by the two samdech's respect toward me and would like to sincerely praise the kind hearts of the two samdech toward the person who committed improper acts against you.

I would like to ask Samdech Krompreah Norodom Ranariddh and Samdech Hun Sen to please prepare a decree for me to sign, pardoning the accused Chan Ratana so that he will be freed.

Please, Samdech Krompreah Norodom Ranariddh, first prime minister; and Samdech Hun Sen, second prime minister, accept my loftiest love and respects.

[Dated] Beijing, 3 July 1996

[Signed] Norodom Sihanouk

Indonesia

Indonesia: Alatas Expresses Support for Butrus Ghali's Nomination

PK0207123796 *Jakarta Radio Republik Indonesia Network in Indonesian* 1200 GMT 2 Jul 96

[FBIS Translated Text] Indonesia supports Butrus Butrus Ghali's nomination to become the UN secretary general for another term when it expires at the end of this year. Speaking to reporters at Pejambon [Foreign Affairs Department] in Jakarta this evening, Foreign Minister Ali Alatas said that as with Ghali's first nomination to the post, Indonesia will again support the senior Egyptian diplomat's nomination. Alatas responded indirectly to a question about whether Indonesia is satisfied with Ghali's performance during his first tenure, in particular the way he handled several crises, including the Bosnia-Herzegovina conflict.

[Begin Alatas recording] The Bosnian problem is complex and you cannot blame one person for the entire issue. Indeed the issue is very wide-ranging. The Bosnian and Somali problems are something new with a new background. These problems are not between two opposing countries — they are within one country. The United Nations itself is still groping in the dark on how to deal with them, and its secretary general is supposed to act on a decision reached by the UN members, including those of the Security Council. [end recording]

Indonesia: Government Bars Megawati From Running in 1997 Election

BK0307052096 *Jakarta THE JAKARTA POST in English* 3 Jul 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Jakarta (JP) — The government made it clear yesterday that embattled chief of the minority Indonesian Democratic Party (PDI), Megawati Sukarnoputri, will be barred from next year's general election.

Minister of Home Affairs Mohamad Yogie S.M. told reporters yesterday that the legitimate PDI representative for the polls is Suryadi's executive board elected at the government-sponsored congress last month, a congress which Megawati rejects as unconstitutional.

"We will only recognize Suryadi's leadership. We will only invite Suryadi's camp to the institute's meetings," said Yogie who is also chairman of the General Elections Institute.

He confirmed that the institute would only accept Suryadi's preliminary list of PDI legislators and reject the list that Megawati's camp is preparing.

The government-funded congress was held in Medan, North Sumatera, from June 20 to June 22. It elected Suryadi and some party dissenters as the party's new executive [officials]. Megawati dismissed the party's dissenters for organizing the congress.

Yogie yesterday reiterated the government's stance on the PDI's leadership. "I have told you before," he said to reporters. "The government recognized Megawati before the congress. Now that the congress has been held, the government recognizes Suryadi."

The government signaled yesterday that it would no longer meddle in the PDI rift, saying the task of finding solutions now rests with Suryadi.

Armed Forces (ABRI) Chief Gen. Feisal Tanjung said yesterday that Suryadi should be able to handle the party's problems on his own. Separately, Yogie expressed a similar stance.

"This is a PDI internal problem. The Armed Forces won't interfere in the party's affairs," Feisal said in a press conference at the House of Representatives.

"The government won't interfere in PDI's internal affairs," Yogie said after meeting 36 of the 39 party executives elected at the congress at his office. Other two elected executives have refused to join the board and have pledged their loyalty to Megawati. It is not known why the other executive did not attend.

Only the three sanctioned political groups may contest next year's general election — the ruling Golkar [Functional Group] party, the Moslem-based United Development Party (PPP) and the PDI.

The three contestants should be busily preparing for the polls. A number of tasks must be completed by the end of this month. They must submit their preliminary lists of candidates for the legislative councils to the General Elections Institute.

Some observers have said that PDI cannot prepare properly for the polls because of its problems.

Suryadi has expressed confidence that he can settle the party's problems on his own without the government's or military's help. "We can settle them on our own. PDI should be able to find the solutions."

He said that his board would take action against Megawati and the executives of her board for adamantly claiming to be the lawful leaders of PDI.

"We'll sanction her," he said, but failed to elaborate except to say that his people are working on its details.

Feisal yesterday did not deny the allegations that some military district chiefs had pressured local PDI leaders to attend the congress.

"There might have been (pressure)," he said.

However, he rejected speculation that ABRI's headquarters had ordered the "pressure." A Megawati loyalist claims he has evidence that the military forced PDI branch leaders to participate in the congress.

Meanwhile, displays of support for Megawati continued in some cities. One example was hundreds of PDI members demonstrating to show their support for Megawati outside El Tari Airport in Kupang, East Nusa Tenggara.

Philippines

Philippines Negotiator: SPCPD Not Provisional Government

BK2806050396 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 2230 GMT 27 Jun 96

[FBIS Translated Text] Manuel Yan, presidential adviser on peace process, has strongly denied reports that the Southern Philippines Council for Peace and Development [SPCPD] is a provisional government. Yan explained that the only responsibility of the council is to head the development efforts to be implemented in Mindanao.

[Begin recording, in English] [Yan, in progress] ...provisional government. It is just a council as you have read — of chairman, vice chairman, and three deputies.

[Unidentified correspondent] But is it really [preceding word in Tagalog] true that it can make rules and regulations?

[Yan] It should make rules and regulations for its functioning, but it is not a government; it is just a council to coordinate, to promote, and to monitor peace and development projects and programs.

[Unidentified correspondent] Sir, as compared with a provisional government [pause]?

[Yan] Yes [preceding word in Tagalog]. A provisional government is a government that has its executive powers, you know; it has legislative powers. This one is nothing. [end recording]

Yan added that he has not received information that several MNLF generals have abandoned Nur Misuari to oppose the formation of the council.

Philippines: NDF Chairman: Talks With Government May Take 8 Years

BK2806045496 *Quezon City GMA-7 Radio-Television Arts Network in Tagalog* 2230 GMT 27 Jun 96

[FBIS Translated Text] There is a possibility that it will take eight years for the government and the National

Democratic Front [NDF] to come up with a peace agreement. NDF Panel Chairman Luis Jalandoni has admitted that the peace process will take time because the communist insurgency has lasted for 27 years.

[Begin Jalandoni recording, in English] We know that the differences between the two sides are quite huge, but if the efforts on both sides and the political will continue, then we hope we can achieve some important advances. [end recording]

Talks are set to continue next month to tackle the agenda on humanitarian laws and political reform.

Philippines: Negotiator Hopeful of Peace Deal With Communists

LD2806144696 Melbourne Radio Australia
in English 1100 GMT 28 Jun 96

[FBIS Transcribed Text] In the Philippines, the government's chief negotiator, Howard Dee, says Manila and the communist rebels hope to reach a peace agreement within the next 12 months. Dee told reporters the government and the National Democratic Front had agreed to work to the deadline of June 1997 to give the current Philippine Congress time to consider any agreement that is reached. The last session of parliament under President Fidel Ramos is scheduled to begin the following month. Dee's remark came shortly after the government agreed to release a detained guerilla leader, Sotero Llamas. The negotiations are aimed at ending a 27 year communist rebellion in the Philippines.

Philippines: Muslim Rebels Decide To Field Candidates in ARMM Election

BK2806051596 Quezon City GMA-7 Radio-Television Arts Network in Tagalog 2230 GMT 27 Jun 96

[FBIS Translated Text] The Moro National Liberation Front [MNLF] has finally decided to participate in electoral processes and is going to field its own candidates for the election to be held for the Autonomous Region in Muslim Mindanao or ARMM on 9 September.

The MNLF has made the official decision a day after the Comelec [Commission on Elections] has allowed extension for filing of certificates of candidacy for those who will run in the ARMM elections.

MNLF Secretary-General Muslimin Semah said that they are still selecting those who will run for the 21-seat regional assembly. However, Semah is not certain whether MNLF Chairman Nur Misuari will run as ARMM governor or will field other candidates. The ARMM governor has a three-year term and a monthly salary of [25,000 pesos.

Thailand

Thailand: India Invited as ARF 'Dialogue Partner'

BK2706074796 Bangkok THAILAND TIMES
in English 27 Jun 96 p A2

[Unattributed report]

[FBIS Transcribed Text] Bangkok — An Indian senior official yesterday expressed appreciation for his country being invited to participate as a full dialogue partner in the Association of Southeast Asian Nations Regional Forum (ARF) and Post Ministerial Meeting, to be held in Jakarta this July.

"We appreciate being invited to participate as a constructive dialogue partner," Indian Ministry of External Affairs Secretary K Raghunath said yesterday after meeting Foreign Ministry Permanent Secretary Thewakun.

"India has a friendly and cooperative relationship, especially economically, with ASEAN countries," he said.

India was a sectoral dialogue partner in ASEAN, and now its status has been upgraded, meaning that it will automatically have the right to attend the ARF and the PMC [Post Ministerial Conference].

The ARF will take place on July 23 and the PMC will be held from July 24-25, after the ASEAN Ministerial Meeting from July 20-21.

He also confirmed that India would continue to develop closer relations with ASEAN, adding that political changes in India would not negatively affect its relationship with ASEAN.

Thap said Thailand briefed India about the progress and objectives of ARF, conveying that Thailand is gravely concerned about the region's security and stability.

"India will pay heed to the viewpoints expressed at ARF," he said.

ARF comprises 20 member countries and a regional body — the European Union (EU). Among these are the seven ASEAN nations, as well as ASEAN's observer nations, consultative partners and dialogue partners.

In addition, Thap said, India has asked Thailand to support its bid to gain a seat in the Asia Pacific Economic Cooperation (APEC) which is the biggest international economic organization, but is refusing to allow new members to join for another year.

India has also sought Thailand's backing in paving the way for it becoming a participant in the Asia-Europe Meeting.

They are also seeking Thailand's support for its bid for a seat on the United Nations Security Council. However, They said, Thailand supports Japan's bid for the seat.

Thailand: UCOM's Australian Partner Wins License for Rocket Launcher

BK2806085096 Bangkok BANGKOK POST in English 28 Jun 96 p 21

[Report by Suphaphan Plengmaniphan]

[FBIS Transcribed Text] Australia's Space Transportation System (STS), which recently sold a 50% stake to United Communication Industry Plc (UCOM), has been awarded a license from the Australian Government to build a rocket-launcher.

UCOM chairman Siphum Sukhanet said the Australian Government had offered official investment support for the project, sending the documentation to STS last week.

Mr Siphum said STS was now in the process of negotiating with the Northern Territory government to use a 200-acre area to build the rocket-launcher.

STS then plans to send officials to Russia to buy Proton rocket technology developed by Khrunichev. A deal is expected to be signed within the next two months.

STS has six directors on its board, three representing Australian shareholders and the other three UCOM.

Australian Mike Ahern, a former state premier of Queensland, will act as chairman of the STS board, while Mr Siphum is expected to act as vice-chairman.

Two other UCOM executives — Bunchai Bencharongkun and Piyabut Wasuthara — will also be directors.

When asked if UCOM had dismissed a previously announced plan to build a rocket-launcher in Thailand's South, Mr Siphum said that project would probably be dropped due to geographic obstacles.

The only province suitable for a launcher is Narathiwat, but there is not enough space to build a site, he said. If an accident occurred, it would impact on nearby communities.

Thailand: Burmese Troop Reinforcements at Border Worry Residents

BK2706092296 Bangkok BANGKOK POST in English 27 Jun 96 p 3

[Unattributed report]

[FBIS Transcribed Text] Mae Sot, Tak — About 50 Burmese villagers were pushed off an islet in the

Moei River yesterday following the removal of Thai authorities from the disputed area.

Some 100 Thai Immigration Office officials, local police and defence volunteers led by Deputy Governor Sa-ne Chaloemphon yesterday managed to repel the Burmese who were selling goods on the islet.

As Thai citizens are not allowed to utilise the land, neither should their Burmese counterparts, he said.

Tak authorities, he said would make their stance clear to Myawaddy in the hope that it will bar its people from entering the land.

He said he would report to the Interior Ministry and National Security Council on the situation.

Earlier, the Burmese Government protested that Thailand had stationed its authorities in the area.

It claims the area is a no man's land pending settlement of a dispute over border demarcation.

According to Mr Sa-ne, it has yet to be determined which country has the right to claim the area. The 13th meeting of the Regional Thai-Burmese Border Committee from June 18-21 in Phitsanulok was unable to resolve the issue.

Meanwhile, the reinforcement of Burmese troops in the Kawmoora, Yegyaw and Kanele camps opposite Mae Sot, Mae Ramat and Phop Phra districts is worrying Thai villagers living along the border.

It is unknown for what purpose the reinforcements which started on June 22, are for. But at least 3,000 soldiers have been moved to the area and deployment was still taking place yesterday, said a border source.

What worries the villagers is the fact that fresh Burmese troops from Division 101 whose main task is combat, are to replace those from Division 88 whose job is to construct roads in the border area.

Thailand: Narathiwat Area Bordering Malaysia Development Planned

BK2806053596 Bangkok Radio Thailand Network in English 0000 GMT 28 Jun 96

[FBIS Transcribed Text] The area at the north of the Kolok River in Narathiwat Province at the Thai-Malaysian border will be developed so that border demarcation can be properly undertaken.

Deputy Permanent Secretary for Interior Damri Watthanasingha said the Cabinet has assigned the Royal Irrigation Department to undertake the development of the area with a budget of 220 million baht. He said that the first phase of the project has been

financially supported by the Government of Malaysia with a budget of 149 million baht for the construction of a 22-kilometer-long barrier to prevent sand erosion.

The second phase involves the digging of a water channel at the north of the Kolok River at a distance of 1,300 meters with a budget of 43.3 million baht. He said that an agreement will be signed at the eighth meeting of the Joint Thai-Malaysian Subcommittee on the development of the Kolok River basin to be hosted in Malaysia during 19-22 July 1996 so that endorsements from both governments are given to the project.

Thailand: Official Says Exports Drop Linked to High Labor Costs

BK2806062796 Bangkok THE NATION in English
28 Jun 96 p A1

[Report by Charuwan Leotwinyu and Utsani Hararak]

[FBIS Transcribed Text] Exports of labour-intensive products fell by a sharp 16 per cent in the first four months of this year compared with the same period last year, the Bank of Thailand reported yesterday.

A senior economist at the central bank said the drop was attributable to the country's fading competitiveness in labour-intensive industries, which are facing rising labour costs. Bandit Nitchathawon, the director of the Economic Research Department, said while high-tech exports such as integrated circuits remained healthy, exports from industries such as those producing shoes, leather goods, textiles and toys had declined.

His announcement on fading growth figures for labour-intensive exports was the first such official report since Siam Commercial Bank president Olan Chaiprawat warned last month that Thailand export luck could be running out. Labour-intensive goods, the country's traditions engine of growth, are meeting increasingly stiff competitive on the world market.

Nevertheless, overall exports in the month of May rose 4.2 per cent, to Bt [Baht] 12 billion, from the same period a year ago. The recent five-month average export growth was 7.7 per cent, with a value of Bt580.1 billion, against 21.1 percent growth registered in the same period in 1995.

However, Bandit insisted that increases competition in labour-intensive industries was not the only factor leading to the sharp decline in export growth. Although it is true that rising production costs and manpower shortages are eroding Thailand's competitiveness in cheap exports, there are at least three more reasons for the slowing growth of exports this year, he said.

First is a decline in market demand especially in the new Asia-Pacific export market and the United States.

Second is the decreasing supply of marine products, one of the country's major exports. Third is the steady decline, since earlier this year, in the prices of farm and seafood products.

Asked whether the high-interest rate policy had led to a decline in competitiveness, Bandit said interest payments accounted for only four per cent of total production costs. "Most of the costs belong to the raw materials," he said.

Bandit said he was optimistic that exports in the second half of the year would improve, largely due to seasonal demand, which usually rises in the second half, and also because the supply of farm and seafood products will increase in the next six months as the impacts of last year's severe flooding further subside.

At one point, Bandit admitted that the slower growth in exports put pressure on the widening current account deficit, which rose for the fourth consecutive month in April, to Bt38.5 billion.

Thailand: Measures To Solve Decline in Export Mapped Out

BK2706092596 Bangkok THE NATION in English
27 Jun 96 p B1, B3

[Report by Nitsara Sihanam]

[FBIS Transcribed Text] Thailand's exports dropped 2.3 per cent from a year ago to Bt [baht] 116.49 billion, according to preliminary data released yesterday by the Ministry of Finance.

The data, gathered by the Customs Department, is likely to intensify worries among top government officials and bankers that economic expansion is in jeopardy. Export growth has fuelled Thailand's rapid economic expansion for more than a decade.

The ministry said exports totalled Bt119.27 billion in May 1995. It cited no reason for the decline in exports this year, but central bank officials have cited growing competition from low-wage Asian countries as one reason.

The May decline marks the second time this year that exports have fallen rather than risen. In March, exports declined 2.6 per cent to Bt123 billion, according to Bank of Thailand data.

Finance Minister Bodi Chunnanon has blamed high interest rates for the slowdown in exports, saying those rates have hurt manufacturing activity. This week he said he obtained agreement from the central bank to cut

interest rates by half a percentage point. The prime rate of Thai banks now averages 13.75 per cent.

The Bank of Thailand has set a target of 17.4 per cent export growth for 1996. But at no time this year have exports grown at that rate. In response to the drop, Commerce Minister Chuchip Hansawat said yesterday the country will draft its first ever export master plan.

The master plan will focus on a practical strategy for penetrating new foreign markets in order to increase Thailand's exports.

The new strategy will emphasise value-added and packaging development in order to increase the competitiveness of Thai products in relation to countries which have cheaper and more abundant raw materials and low cost labour pools.

Moreover, the master plan will focus on customer behaviour in order to put supply in line with foreign market demand.

The Commerce Ministry will invite the textile and clothing sector to discuss export problems and express its concerns on the situation in foreign markets in order to make the master plan as effective as possible.

Chuchip said as a result of sluggish exports in the first quarter of this year, the Commerce Ministry will assess export figures again at the end of the third quarter — harvest time — to get a better reading of the true export situation.

However, he believes that Thailand can hit a Bt1.6 trillion export target, a slight reduction from the earlier estimate.

The Commerce Ministry has also forecast that Thai rice exports by the end of this year will exceed the original export target of five million tonnes.

Thailand should be able to sell 2.8 million tonnes of rice in the first quarter and 2.5 million tonnes in the second half of this year. In June alone, Thailand should export more than 450,000 tonnes of rice.

Pracha Charutrakunchai, the director general of the Foreign Trade Department, said that the prospects for Thai rice exports were positive, citing the bullish trend over the last couple of weeks.

He said that the price of premium rice recently rose to U.S. \$15 (Bt375) per tonne, and is likely to climb even further.

Thailand: Premier's 'Diplomatic Blunder' in Phnom Penh Viewed

BK2806105796 Bangkok THE NATION in English 28 Jun 96 p A5

[Feature by Marisa Chimprapha: "A Lesson About Diplomacy"]

[FBIS Transcribed Text] After a recent visit to Cambodia, some people might assume that Prime Minister Banhan Sinlapa-acha's knowledge of diplomatic protocol is quite limited. And thanks to First Premier and FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] Party leader Prince Norodom Ranariddh, he may have also found out that the art of cultivating international relations requires both finesse and training. Prince Ranariddh was quoted in a report as saying he was "dissatisfied and unhappy" with the behaviour of Banhan, who joined the prince's hands with that of Second Premier and Cambodia People's Party chief Hun Sen in an apparent effort to show the people that the feud between Cambodia's two leaders was over and that the process of reconciliation was underway.

Both parties are known to be in conflict, particularly over power-sharing at district level. And so far, there is no clear indication that this issue is about to be resolved amicably.

However, the prince later denied the report, saying he never made such comments about Banhan. Later, both countries' officials urged people to read the full text of what the prince had said during a gathering held in a school.

As based on the translation done by the Thai embassy in Phnom Penh, the prince did refer to the act of joining hands with Hun Sen.

"Our Cambodia is now in such serious conflict that foreigners have to join our hands and legs. I would like to say frankly that I am unhappy with this. If we are quarrelling, it is our affair. If we have to end the quarrel for the benefit of the country, we will do it.

"It is not necessary for others to join our hands. This (kind of action) does not look good. I would like to say that I am a Cambodian. I did not dare to pull back my hand. If I had done so, Banhan would have assumed that we were actually quarrelling.

"We have to learn about reconciliation because this is an internal affair.

"His Majesty King Norodom Sihanouk (of Cambodia) has joined our hands (Ranariddh and Hun Sen). I agree with that because he is well-known.

"If we had pulled back our hands, he (Banhan) would have assumed that we actually had a conflict."

Banhan proudly told journalists at a state guest house, which was not far from the room where he tried to act as peacemaker, that "I made them (Prince Ranariddh and Hun) join hands. I told them to be united."

After meeting Banhan and his huge entourage for about two hours, Prince Ranariddh, who is known for his willingness to speak with reporters, refused to hold any press conference.

Banhan said before his meeting with Cambodia's leaders that his visit to Phnom Penh was aimed partly at "helping Cambodia solve some internal problems".

"Banhan was very happy. He said that upon his return home he will display the photo and send a copy of it to other ASEAN countries. It looked as if he and the Thais had made the Cambodian leaders reconcile," the prince said.

It now seems that the prince was not upset with the fact that Banhan joined his hands with that of Hun Sen, but with the way the Thai premier spoke of his "success in reconciling the differences between Cambodia's leaders" to reporters, which certainly was seen as an embarrassment as far as the host country was concerned.

Observers said Foreign Minister Amnual Wirawan must have failed to inform Banhan that every country aims to solve its internal problems by itself and that another country's attempt to solve it without getting the former's consent is referred to as "intervention."

Banhan is credited with initiating this gesture of leaders joining hands, especially at international conferences that Thailand has hosted. Moreover, as a recent photo indicated, the premier had also asked the leaders of the parties making up his coalition government to join hands in an effort to show the public that they had patched up their differences.

By trying to do the same thing in Cambodia, Banhan instead committed a diplomatic blunder. No one apparently told him that even King Sihanouk has failed to make the co-premiers reconcile. Some say the king has remained in Beijing out of frustration over the endless political conflicts in his country.

Banhan said the leaders of Malaysia and Singapore had asked him to convey to the Cambodian government their concerns over the political problems in Cambodia, which is expected to become an ASEAN member next year.

Banhan emphasised the co-premiers' assurance to him that violence would not be used to resolve their differences.

The meeting with Cambodia's leaders also covered logging deals and reports of Cambodians sneaking into Thailand. However, all this abruptly ended when photographers and reporters entered the meeting room to take pictures of the three leaders.

Prince Ranariddh, who is expected to succeed King Sihanouk, has always been proud of his royalty. Therefore, to have the Thai prime minister hold his hands and join them against his will with that of Hun Sen adds greatly to his dissatisfaction.

Banhan's ignorant behaviour could negate ASEAN's attempts at making Cambodia aware that the state of its domestic politics has affected regional stability. This was the message conveyed to the Cambodian government by Malaysian Foreign Minister Abdullah Badawi during his visit to Phnom Penh last month. A visit by Indonesian Foreign Minister Ali Alatas, who will chair this year's ASEAN meeting, had been originally scheduled. But since Prince Ranariddh was not in the country, and with Malaysian businessmen having some problems in Cambodia, Badawi volunteered to go.

Prince Ranariddh and Hun Sen are well aware of the concerns of ASEAN and the international community on the political situation in their country, which relies heavily on foreign aid.

An international conference focusing on the rehabilitation of Cambodia is scheduled to be held in Tokyo soon and participants will determine how much aid should be given to the country, given the existing political and economic situation.

Both of Cambodia's leaders re-emerged at public functions earlier this month after having disappeared from public view due to their political conflicts. They apparently want to show people that they are ready to forget the past and that their relations have improved.

It is possible Prince Ranariddh's disappointment with Banhan could have emanated from the still unsettled conflict with Hun Sen over the power-sharing issue, which many think is the main reason why reconciliation has been difficult.

Thailand: 'Sources' Cited on 'Growing Concern' for Prime Minister

BK2706143796 Bangkok MATICHON in Thai
27 Jun 96 p 12

[Unattributed report]

[FBIS Translated Text] Sources close to Prime Minister Banhan Sinlapa-acha disclosed that there is growing concern for the security of the prime minister due to the ongoing political tension stemming from the prime minister's inability to solve internal problems within his Chai Thai Party. On the contrary, the prime minister has chosen to take steps that some people see as an attempt on his part to buy time in order to remain prime minister for as long as possible. There is a general fear that the political situation might reach a deadend; many people close to Banhan told the prime minister to quickly settle the problems.

According to a source, intelligence officials at the security center and the Interior Ministry sent a similar report to the prime minister, saying that activities have been detected among certain groups of powerful people. Those intelligence units have warned the prime minister to avoid using the military airport while travelling upcountry, because there could be an attempt to kidnap him or to harm him. After receiving the report, the prime minister, although naturally concerned, did not instruct security to be increased. He did not want to draw public attention to such reports, nor did he believe anyone would resort to using violence against him. The prime minister, however, said he would talk less about politics, the source said.

Although there has been no increase in the number of security officers accompanying the prime minister, the National Security Center has stepped up security control and diligently checks every spot the prime minister passes by. Advance teams are sent to clear those areas to which he will be travelling. Other agencies concerned, including the Special Branch Police, the Metropolitan Police, and the Crime Suppression Police, have also been told to be on the alert, the source says.

Thailand: Banhan Rejects Reported Assault Plans; No Security Increase

BK2706145096 Bangkok Thai Color Television
Channel 9 in Thai 1200 GMT 27 Jun 96

[FBIS Translated Text] The report that there are plans to assault the prime minister has been rejected. Prime Minister Banhan Sinlapa-acha himself said the report was unreliable and stressed that he will not increase the number of bodyguards, which is currently about 10. He said:

[Begin Banhan recording] I have not harmed any people; therefore, I assume that nobody would ever think of harming me. Good deeds will help me. That is all I can tell you. [end recording]

Our correspondent noted that many senior police officers, including the director general of Police Department and metropolitan police commissioner, showed up at Government House during the protest rally staged by members of provincial administration councils from up-country today.

Thailand: Special Branch Looks Into Death Threats to Prime Minister

BK2806090796 Bangkok BANGKOK POST
in English 28 Jun 96 p 1

[Unattributed report]

[FBIS Transcribed Text] Reports of a plot to kill the prime minister are being investigated by Special Branch police.

The reports, in THAI RAT and MATICHON, were dismissed as rumour by Police Department director general Phot Bunyachinda, who denied the Special Branch was the source.

In the reports, the dailies quoted intelligence sources as saying Banhan Sinlapa-acha's life was at risk from a group of people angered by his inability to tackle national problems.

Mr Banhan was in danger of being trapped and abducted at a military airbase or attacked on an official trip.

Pol Gen Phot said he had no knowledge of a motive for the rumours but said security for Mr Banhan had not been stepped up because it was already adequate.

Mr Banhan said he had summoned close aides to discuss the reports but none could provide any information to confirm a threat, which would not be the first.

Security units such as the police and National Intelligence Agency assured him they had no information to suggest there was a threat.

Chongchai Thiangtham, his deputy secretary general, who said he was responsible for security at Government House, said he should have been given intelligence of any such plot.

Wira Wisutthakun, the Special Branch commissioner, said his agency had no information to indicate some people planned to attack or abduct the prime minister.

Special Branch officials have coordinated with other intelligence agencies and none had information which indicated so.

Members of the Opposition, however, suspected the reports were part of an attempt to draw sympathy for Mr Banhan.

Withaya Kacopharadai, a Democrat MP, suspected the reports were the work of people close to Mr Banhan.

An attack or abduction was out of the question, said the Nakhon Si Thammarat MP, and the reports could damage the nation and backfire on Mr Banhan.

Thailand: Phachakon Thai Party Invited To 'Rejoin' Coalition

BK2806062896 Bangkok THE NATION in English
28 Jun 96 p A1, A3

[Report by Piyanat Siwalo and Rattanawali Maharikun]

[FBIS Transcribed Text] The Phachakon Thai Party is set to rejoin the Banhan coalition following a joint invitation from its former allies and a pledge that future resolutions made by the alliance will be strictly observed.

The decision by Phachakon Thai leader Samak Sunthorawet to reenter the government fold, if approved at a party meeting tomorrow, will again lift the government's parliamentary strength to 232 MPs, but may invoke a public backlash and cause a serious split within the party.

Although the declaration was made by all coalition partners, attention focused on the Phalang Tham Party [PDP], whose refusal to support former deputy interior minister Suchat Tancharoen at the end of the censure debate in May triggered repercussions resulting in Phachakon Thai's withdrawal from the government.

The declaration, read out by Prime Minister Banhan Sinlapa-acha at a press conference following a meeting of coalition leaders, stated that all government parties will strictly follow their resolutions on major political issues.

In what is seen as a compromise and provision of breathing space for the PDP, the agreement encourages more formal consultation among members if any of them feels "uncomfortable" about following a resolution.

"Now we are ready to send our invitation card," said Banhan. PDP leader Thaksin Chinnawat, who joined other coalition leaders at the Government House news conference, only smiled when it was suggested that he carry the invitation to Samak personally.

A Cabinet reshuffle reinstating Phachakon Thai MPs to government posts is scheduled for next Tuesday. The party will retain its quota — one deputy prime minister, one minister and one deputy minister. All

former Cabinet members of the party will retain their posts, according to a high-ranking Phachakon Thai source.

"We will work more closely than ever before," said Banhan. "We will tackle conflicts before they can snowball." It was, however, a repetition of statements government leaders have ritually made in the past to quell speculation about serious rifts.

Phachakon Thai announced its withdrawal shortly before the Bangkok governor's election on June 2, saying it would never change its mind. Senior party members including Samak subsequently rejected speculation the party will eventually "do a Phalang Tham" — a sarcastic reference to the PDP's "temporary" pull-out from the government during the gubernatorial campaign.

The Phachakon Thai source yesterday claimed there would be no problem explaining the party's decision to its constituents.

"We have our reasons. We want to help solve the government's stability problem and continue with our unfinished tasks," he said. "Moreover, it's hard for us to blend in with the opposition. We feel more comfortable as a government partner."

Thaksin said the joint coalition declaration would not affect his party's political principles.

Offering limited and more cautious comments, which has become a new characteristic of his, the PDP leader said: "The declaration doesn't run against what we are doing and will do in the future. Everything should be okay."

The return of Phachakon Thai will give Banhan stronger leverage in dealing with dissidents in his Chat Thai Party, who lately have been aggressively attacking him and have given frequent signals that they could defect.

The Group of 16 members are less of a threat to the government's stability with Samak's party in the coalition.

According to sources, Banhan, Samak and Thaksin have been in close contact. The prime minister even faxed a draft of the joint declaration to Samak before yesterday's press conference. In one of their conversations, Samak reportedly told Thaksin that if the PDP did not swallow its pride, the opposition Chat Phattana Party would be brought into the coalition "and we both will be losers".

A source attending the coalition meeting yesterday said that there was a consensus that Phachakon Thai should be brought back. The leaders expressed confidence that Samak will eventually rejoin the government.

It will not take long before yesterday's declaration faces an acid test. As soon as Parliament reconvenes in the next few days the opposition will launch another censure motion, once again putting the PDP on the spot.

Thailand: SLORC's Foreign Minister Ohn Gyaw Profiled

BK2806073596 Bangkok THE NATION in English
28 Jun 96 p A12

[Commentary by Aung Zaw: "Weighing the Worth of Ohn Gyaw's Words"]

[FBIS Transcribed Text] When Burma's military swooped on pro-democracy activists last month it was as if someone in Rangoon forgot to tell Foreign Minister Ohn Gyaw.

Ohn Gyaw was in Tokyo at the time and when asked about the crackdown, he replied with what appeared to be genuine conviction that the reports were "a fabrication".

Japanese officials called on Ohn Gyaw to release the arrested activists and delegates who were due to attend a congress called by the opposition National League for Democracy.

But does Ohn Gyaw have the power to make such a request of the junta leaders? Can he complain because the attests embarrassed him when he was meeting his Japanese counterparts?

Analysts in the past have questioned Ohn Gyaw's influence in the SLORC [State Law and Order Restoration Council] cabinet.

After all, Ohn Gyaw isn't even a member of the State Law and Order Restoration Committee. "He is an errand-boy," one former Burmese diplomat said.

"He speaks English, is loyal to the Tatmadaw (Armed Forces) even though he is a civilian. He worked in the Foreign Ministry when the military picked him up," he said. Soon after Ohn Gyaw was appointed to the post by former SLORC leader Saw Maung, he was given a new handle by foreign diplomats — "defence minister" because he was always defending the SLORC. The political tension prompted by the May crackdown continues to hang over Rangoon.

Last week, Ohn Gyaw was in Malaysia where he gave ASEAN assurances that it will adhere to the regional grouping's policies of fostering regional stability and to use peaceful means to deal with internal problems.

Ohn Gyaw met Bangkok's newly-appointed Foreign Minister Amnui Wirawan and his Indonesian counterpart Ali Alatas. The bilateral meeting was held shortly

after two U.S. envoys sent ended an Asian tour to discuss ways to coordinate the best approach to the current political turmoil in Burma.

Ohn Gyaw told Amnui that the SLORC would only jail those who have committed offenses. "So far no one has done anything wrong. So no one has been detained". But the opposition sources said at least another 100 activists and members of the NLD [National League for Democracy] remain in jail.

Regardless, ASEAN is firmly sticking by its constructive engagement policy on Burma.

Alatas informed Ohn Gyaw that Burma will be accorded ASEAN observer status at the next month's ministerial meeting.

Three weeks ago, the ruling junta issued new laws that empower the Home Ministry to ban Suu Kyi's party.

The laws ban "unlawful gatherings" or "obstructing the development of a constitution through the SLORC's National Convention."

Nevertheless, Ohn Gyaw told his counterparts that Suu Kyi can conduct meetings but she must not cause any trouble. According to the new laws, those who violate the new laws will face between five to 20 years imprisonment and fine.

According to press report, Ohn Gyaw insisted that the junta was promoting political dialogue with the NLD.

In April, Ohn Gyaw was offering a different view of events. He said that to hold a dialogue with Aung San Suu Kyi would put her on "an equal footing with the SLORC."

Foreign policy in Burma is actually controlled by the powerful generals, in particular Sen [Senior] Gen. Than Shwe, Lt. Gen. Khin Nyunt and Gen. Maung Aye.

A Bangkok-based diplomat said, "They don't play a game that the rest of the world plays — they have their own game and play it very badly." He noted the billboards that appeared recently in Rangoon and other cities.

The red-and-white billboards in English and Burmese say, "Oppose those relying on external elements, acting as stooges, holding negative views" and "Oppose foreign nations meddling in international affairs of the state."

"These slogans are, I believe, SLORC's foreign policies," the diplomat added.

Thailand: Agencies Agree To Join Forces To Suppress Pirates

BK2806081796 Bangkok BANGKOK POST
in English 28 Jun 96 p 2

[Unattributed report]

[FBIS Transcribed Text] Several state agencies will join forces to suppress pirates preying on freighters in Thai waters.

Transport and Communications Deputy Permanent Secretary Sathian Wongwichien said yesterday the Maritime Crime Prevention and Suppression Center would alert cargo ships to the threat of piracy and give them addresses to contact if attacked.

The center will also widen its maritime frequency band to facilitate radio contact between authorities and ships.

Mr Sathian said the Navy would step up patrols while the Harbor Department would use its radar system to track down pirates.

The state agencies are acting in response to complaints from the Bangkok Ship Owners' Association about acts of piracy in several areas of Thai waters.

The association said pirate attacks on cargo vessels had tarnished the image of the Thai maritime industry.

Mr Sathian said places where pirate attacks occurred frequently were in the area of Si Racha Port, at the mouth of the Chao Phraya River and on the route to Japan.

But Mr Sathian admitted records of attacks by pirates riding high-speed boats and armed with war weapons were scarce as most victims were foreign vessels which did not know enough about how and where to report such crimes when they occurred in Thai territory.

It was therefore very difficult to hunt down the pirates, he said.

Vietnam

SRV Minister: Foreign Policy Aim To Improve Economic Ties

BK2906085096 Hanoi Voice of Vietnam Network
in Vietnamese 2300 GMT 28 Jun 96

[FBIS Translated Text] A news conference was held yesterday afternoon at the press center of the eighth party congress on our party and state's foreign policy.

At the news conference, Comrade Vu Khoan, member of the party central committee and deputy foreign minister, said: One of the five prominent achievements of the renovation process in Vietnam has been the rapid

development of foreign relations. We have been able to break loose from blockade and embargo and have actively participated in the everyday life of the world community. Vietnam's position in the world arena has been constantly improved.

The comrade emphasized: Facts show that the foreign policy set forth by the seventh party congress is totally correct. Vietnam will continue pursuing its existing foreign policy. Emphasis of foreign relations-related activities in the period ahead will be placed on helping consolidate the peaceful environment and to create more favorable international conditions for stepped-up socioeconomic development in support of national industrialization and modernization. One of the fundamental goals of the foreign relations task for the period ahead is to expand and improve the results of foreign economic relations.

Comrade Vu Khoan answered many questions raised by reporters about the specific characteristics of our party and state's foreign policy.

SRV: '267,914' New Party Members Admitted Since Last Congress

BK3006102496 Hanoi Voice of Vietnam Network
in Vietnamese 0500 GMT 28 Jun 96

[FBIS Translated Text] Since the Seventh National Party Congress, party organizations throughout the country have admitted 267,914 new party members. In comparison with the previous period, the party building task has recorded new progress quantitatively and qualitatively, thereby overcoming the problem of reduction in the number of newly admitted party members during the 1988-91 period.

In 1995 alone, the country admitted 85,922 new party members, or twofold more than that of 1991. Grass-roots party organizations throughout the country in 1995 admitted 60 percent of the total new party members.

SRV: CPC Congratulates CPV on Eighth National Congress

BK3006083796 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 29 Jun 96

[FBIS Translated Text] The Communist Party of China [CPC] Central Committee yesterday sent a congratulatory message to the Eighth Congress of the Communist Party of Vietnam [CPV]. The message says: Under the leadership of the CPV, the Vietnamese people have successfully carried out the struggle for national liberation and unification, and have scored praiseworthy achievements in socialist construction, especially during the past 10 years of renovation.

The message expresses the desire for further cooperation between the two countries and parties in the years ahead. It maintains that this trend not only responds to the interests of the two countries, but also contributes toward the consolidation of peace, stability, and development in the Asia-Pacific region and other parts of the world.

SRV: Do Muoi Receives Lao Delegation Attending Party Congress

BK3006140096 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 Jun 96

[FBIS Translated Text] Comrade General Secretary Do Muoi cordially received yesterday at the Party Central Committee guest house the Lao People's Revolutionary Party [LPRP] delegation led by Khamtai Siphandon, chairman of the LPRP Central Committee, now attending our eighth national party congress.

On behalf of the LPRP, Comrade Khamtai Siphandon warmly welcomed the great achievements scored over the past 10 years of implementing the renovation policy and resolution of our seventh party congress, considering them as the achievements of the LPRP and the Lao people of different ethnic groups who are [words indistinct].

On behalf of our party, Comrade General Secretary Do Muoi thanked Comrade Khamtai Siphandon and his entourage for their participation in the congress and for their good wishes and sentiments of attachment and mutual trust, regarding these as a source of great encouragement for the eighth congress of the Communist Party of Vietnam to end in success.

The two leaders reiterated their determination to continue consolidating and developing the special friendship and comprehensive cooperation between the two parties, governments, and nations to serve the interests of the two peoples and contribute toward peace, stability, and development in the region and other parts of the world.

SRV: Lao Party Chairman Addresses 8th Congress

BK3006111896 Vientiane Vitthayou Hengsat Radio Network in Lao 0000 GMT 30 Jun 96

[Speech by Khamtai Siphandon, chairman of the Lao People's Revolutionary Party Central Committee, delivered at the Eighth National Congress of the Communist Party of Vietnam in Hanoi on 28 June 1996 — read by announcer]

[FBIS Translated Text] Respected members of the Presidium, foreign delegates; beloved comrades and friends:

Our delegation of the Lao People's Revolutionary Party [LPRP] feels highly honored and very pleased to be able to participate in the Eighth National Congress of the Communist Party of Vietnam [CPV] — the resolute and staunch party of the heroic Vietnamese nation, close and honest comrades and friends of the Lao party and multiethnic people. We would like to convey warmest salutations and best wishes to the CPV congress, and through the congress, to the entire party and all fraternal people of Vietnam.

This congress of comrades is considered an event of special significance in the social and political life of the Vietnamese nation. We have attentively followed the political report of the CPV Central Committee as presented by Comrade General Secretary Do Muoi, an outstanding leader with rich experiences of the Vietnamese party and people and a close and respected comrade of the Lao people. We are of the view that the contents and spirit of the political report have shown the path of turning Vietnam into an industrialized and modern country in accordance with the aspirations in the renovation cause of the Vietnamese nation. They are also considered a significant contribution to the implementation of the theory on the construction of socialism under the new historical circumstances. This has clearly shown that the CPV has always adhered to Marxism-Leninism and the Ho Chi Minh line of thinking, upheld the spirit of independence and self-mastery, and fully taken responsibility over the destiny of the nation.

We are elated to note that over the past 10 years, and particularly over the past five years, that, despite the world situation changing in a very complicated manner, which has greatly affected Vietnam, the Vietnamese people, with profound spirit of patriotism, have united as one and carried out the renovation cause in accordance with the CPV's direction, thus securely defending the revolutionary gains and achieving many significant successes. Noteworthy are that the country has been freed from a crisis situation; the national economy has developed at a high speed and in a new, appropriate fashion; social problems have been settled in a positive manner; the people's living conditions have been explicitly improved and raised to an ever higher level; the political stability has become ever firmer and been further strengthened; the national defense and public security maintenance work have been consolidated and enhanced; the political level has been increasingly consolidated and perfected, while certain significant changes have been made in this field; and the relations and cooperation with foreign countries have been widely expanded in many respects, as a result of which the blockades and pressures from outside have been overcome.

Vietnam has also positively contributed to activities of the international community. These achievements have significantly contributed to the cause of peace, cooperation, and development in Southeast Asian region and the rest of the world. They are seen as great encouragement for our Lao people in carrying out the restructuring cause and the cause of national construction and development. The LPRP and multiethnic Lao people wholeheartedly hail the great achievements of the party and fraternal people of Vietnam.

Beloved comrades and friends, in late March this year, our LPRP convened its sixth congress. The congress assessed that many basic achievements have been recorded in carrying out the restructuring cause over the past 10 years during which adopted principles have been appropriately implemented in conformity with the practical conditions in the country. The implementation of the restructuring work began in the economic sector and proceeded firmly to other sectors. On this basis, the congress has decided to comprehensively carry out the restructuring cause ever more vigorously. In this regard, the solidarity among the entire people throughout the country has been strengthened under the party's leadership; all economic sectors have been promoted in accordance with the marketing mechanism and in coordination with the broadening of foreign relations and cooperation [words indistinct] with a view to freeing the Lao country from the state of being underdeveloped, bringing about socioeconomic development, improving the people's living conditions, bringing about stability, peace, and security to the society, and strengthening the political system. All these are aimed at further establishing and expanding the popular democratic system, thus setting up primary factors for advancing to socialism step by step.

In foreign affairs, our congress has reiterated the continual pursuance of the policy of peace, independence, friendship, and cooperation with various countries, first and foremost with neighboring countries. In the immediate future, attention has been paid to making necessary preparations in various areas for becoming an ASEAN member. Simultaneously, we will continue to maintain the relations with various ruling political parties while making a positive contribution to the cause of peace, friendship, cooperation, and development in this region and the world.

Beloved comrades and friends, the CPV and the LPRP were founded from the same origin as they were trained and fostered by great President Ho Chi Minh. Our Lao party and people are elated to note that through many decades of fierce and ferocious struggle for national independence, as well as for the safeguarding of the revolutionary gains and for the national development,

each of the parties has taken responsibility in setting forth its direction on the basis of practical conditions in its own country. At the same time, our two parties have rendered support and assistance to each other and have always exchanged experiences with each other. The two parties have joined in promoting and flourishing their great relations of friendship, special solidarity, and all-round cooperation. It can be said that this has represented a rare example and it is considered an endless and invincible strength of our two nations. Our Lao party, government, and people pledge to do our utmost to cooperate with the party, government, and fraternal people of Vietnam in improving and strengthening the fine, traditional relations in order to make them last forever.

We unanimously agreed with Comrade General Secretary Do Muoi's speech, which he delivered to the sixth LPRP congress, in which he said he would persistently do his best to defend, promote, and expand the relations and that he would strive to make changes in terms of the contents, procedures, as well as apparatuses of cooperation between Vietnam and Laos in all spheres in conformity to the circumstances in the new stage with a view to winning concrete achievements for the benefit of the people of the two countries and in the interest of peace, stability, and development in Southeast Asia and Asia-Pacific regions.

Amid this solemn and significant atmosphere, on behalf of the party, state, and multiethnic people of Laos, I once again would like to express sincere thanks and profound gratitude to the party, state, and fraternal people of Vietnam for having always given great and pure support and assistance to our Lao people's revolutionary cause. I also wish to express extreme gratitude to the Vietnamese international combatants and to fathers, mothers, husbands or wives, brothers, and sisters of Vietnamese cadres, party members, and combatants for sacrificing their lives for the independence, freedom, and development of our Lao people. I also would like to take this occasion to express deep, attached mourning to those comrades who have fulfilled their lofty international obligations in our country.

Beloved comrades and friends, we are firmly convinced that under the beacon of the resolution of this Eighth CPV Congress, the fraternal Vietnamese people will be able to surmount new difficulties and trials and then win new, ever greater achievements in carrying out the renovation cause in accordance with the direction of switching to industrialization and modernization, leading the Vietnamese nation to victoriously march forward socialism in which the people enjoy wealth, the country becomes prosperity, and the society maintains justice and civilization.

Long live the noble, elegant CPV!

Great President Ho Chi Minh lasts forever in the revolutionary cause of our two countries!

I wish the Eighth National Congress of the CPV glorious success. Thank you!

SRV Army Paper's Editorial Hail Party Congress

*BK2906163296 Hanoi Voice of Vietnam Network
in Vietnamese 2330 GMT 27 Jun 96*

[Report on 28 June QUAN DOI NHAN DAN's editorial: "Continuation of Renovation Undertaking for the Causes of Construction and Protection of Socialist Fatherland, and for the People's Happiness"]

[FBIS Translated Text: Today, 28 June 1996, with great pride and joy, all party, people, army, compatriots living and working abroad, and friends close and far turn to the Capital City of Hanoi, the heart of the fatherland, to welcome a historic event of the people and the country: The opening of the Eighth National Party Congress of the glorified Communist Party of Vietnam [CPV].

During the history of the past 66 years, which was full of hardship, sacrifices, glory, and pride for our party, each party congress stood as a landmark of a new maturity level and the strength of Vietnam revolution. The Eighth National Party Congress takes on the tasks of reviewing achievements of the five-year plan, implementing the resolution of the Seventh Party Congress; reviewing the renovation undertaking over the past 10 years; working out the objectives, directions, tasks, and measures to implement industrialization and modernization to the year 2020, and in the immediate future to the year 2000; amending the party statute; and electing the new Eighth Central Executive Committee who will lead the party, people, and army to successfully fulfilling the resolution of the Eighth National Party Congress.

The Eighth National Party Congress, therefore, bears significant importance. It marks an important turn for our country to a new development stage; the stage of implementing the two strategic duties — accelerating industrialization and modernization. This is to ensure we have prosperous people, a strong country, and an equitable and advanced society under the socialist path. Our party is conducting its eighth congress at a time when the country is experiencing tremendous and profound changes after 10 years of renovation. Under the brilliant leadership of the party, our people and army have surpassed all critical obstacles, some of which appeared impenetrable at times. Against an international background full of implications and rapid changes, our renovation undertaking has attained preliminary, but very important results. Our country has risen above

the socioeconomic crisis, although some aspects have not been firmly consolidated. The political situation is stabilized, national defense and security are firmly safeguarded, and national independence and sovereignty are well protected. The prestige of our country has been lifted to new heights. The first leg of the transitional period to socialism is the preparation of premises for the industrialization process. It has basically been fulfilled, enabling us to enter a new development period of accelerating industrialization and modernization.

Through the renovation undertaking, the determination to follow socialism has become even more clear. The trust in the party, and determination to follow the path chosen by party and Uncle Ho have been ever more consolidated. With the heavy responsibility of the communists to the future of the country, our party has also frankly pointed out its errors and shortcomings. Leadership efficacy of the party, management effectiveness of the state apparatus, and operational efficiency of the mass organizations did not catch up with the requirements of the new situations. The market mechanism is still at a rudimentary level. The role of the state over the economy and society is still weak. Social issues are still burning, and corruption and smuggling have not been effectively checked. We are still ranked among one of the few dozen poorest countries in the world. Yet the bad practices of wastage and public property squandering are still rampant in daily life, as well as in production activity up to an unacceptable level. Negativity exists at serious levels in prolonged periods of time in state agencies, party and mass organizations, and even in law enforcement organs. Even more worrisome are the facts that many cadres are destroying the revolutionary ideals, alienated and degraded from morality standards, thus weakening the combating ability of a portion of the party organizations at grassroots level.

In preparation for the opening of the Eighth National Party Congress today, a vast political activity movement has been conducted over the past several months within the party, political organizations, and among people of all strata. The frank and constructive voices from the forum at grassroots and directly-above- grassroots levels as well as in sectors, echelons, and localities, together with millions of opinions and suggestions from the compatriots and comrades who wished to contribute to the draft party political report of the Party Seventh Central Executive Committee to be submitted to the Eighth National Party Congress. The document was distributed widely and openly on all mass media to provide a chance for all party, people, and army to see our aspirations and high sense of responsibility to the future of our party at this juncture.

The documents that reflect the expectations of the party, people, and army, and that will be approved by the Eighth National Party Congress, consist of lines even more precious than gold. This is because they are made of blood, sweat, and tears and they are the condensation of the courage and prowess of our people of one hundred years of fighting for independence, freedom, and socialism. They are not only the determination of socialism, but also include the most essential measures that will help us to fulfill the two strategic duties of construction of socialism and protection of the fatherland, and acceleration of the industrialization and modernization undertaking.

Over the past 65 years, under the victorious flag of the Communist Party of Vietnam, a party founded and trained by President Ho Chi Minh, a seasoned pioneer force of the workers' class, a loyal representative for the interests of the workers' class and laboring people as well as all people, and a force armed with Marxism-Leninism and Ho Chi Minh thoughts, our people have experienced an arduous, prolonged, and glorious struggle. Today we have created new stature and strengths for our country. This is an opportunity at an important historic landmark to accomplish the ambitions of Uncle Ho and the ideals of the party and people: Prosperous people, strong country, equitable and advanced society in the path of socialism. Our people should be able to stand equal to its friends the world over.

In order to realize the objectives, we have to implement industrialization and modernization. Industrialization and modernization are the logical development steps for our people on their way to socialism. They are also compliant with contemporary advancement trends. They will be our major duties in the years to come and for the next several decades. The party, people, and army, present and future generations should strive to fulfill them successfully.

In front of us is a rare opportunity, but major risks and challenges surround us. The achievements of the renovation undertaking help to create new stature and strengths, both domestically and internationally, enabling us to enter a new development stage. The four risks pointed out by the Mid-Term Party National Conference, which was held in January 1994, still remain grave challenges. These risks are all dangerous, and we should not regard any of them lightly. Hostile forces still try to launch their peaceful evolution plot. Operating under the guise of democracy and human rights, they interfere in our internal affairs and sabotage our revolution. The struggle of classes becomes even more vigorous under many new forms. On the basis of the rule of combination between the two duties of national

construction and protection, they should always be close to each other. Our party confirms that while accelerating industrialization and modernization, consolidation of national defense and security is our first major task. We should focus on building a revolutionary army that is effective, well-disciplined, and modern, competent to safeguard independence and freedom of the fatherland and the peaceful life of the laboring people.

In the renovation undertaking of the country and under the absolute and comprehensive leadership of the party, our army has always followed the teachings of Uncle Ho: Be loyal to the country and pious to the people; accomplish all tasks; overcome all difficulties; and defeat all enemies. The army has successfully fulfilled the duty of always being ready for combat to protect independence and national sovereignty. It has also performed well the duty of being a force that mobilizes the masses to build up political bases within the people for the sake of political stability. The army has also been a production force that participates actively to economic development and national construction.

Against the complicated development of the world situation, and with the difficulties our country has been facing, during the course of fulfilling our duties, our army has always demonstrated a staunch political acumen, an absolute loyalty to the party and people, and a trusted base for the party, state, and people in the construction and protection of the socialist fatherland. The army is worthy of the name of Uncle Ho's troops, and of the trust and love of the party, state, and people.

Together with all party, people, and army, cadres and combatants of our armed forces turn to the party congress with our wholesome trust, and greet the party congress with our best merits achieved during the emulative campaigns launched by all army units since early this year. We firmly trust that the Eighth National Party Congress will be a great success. We are also ready to use our minds and energy to quickly and thoroughly study the resolution of the party congress, and to turn the industrialization and modernization, and the objectives of prosperous people, strong country, and equitable and advanced society to real successes in our life.

SRV: Minister of Planning, Investment Holds News Conference

*BK3006114396 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 29 Jun 96*

[FBIS Translated Text] Comrade Do Quoc Sam, member of the Party Central Committee and minister of planning and investment, convened a news conference today

at the press center of the Eighth Congress of the Communist Party of Vietnam [CPV] to introduce Vietnam's economic cooperation and foreign investment strategy. Many Vietnamese and foreign journalists attended the news conference.

Speaking on this occasion, Minister Do Quoc Sam provided facts about Vietnam's socioeconomic situation and socioeconomic development policy and touched on other issues relating to economic cooperation and foreign investment. In his words, in the framework of the 1991-95 five-year plan, the annual economic growth rate has reached 8.02 percent, compared with the planned target of 5.5-6.5 percent, and the problem concerning food shortages has basically been resolved. Furthermore, steps have been taken to accelerate agricultural production and the service industry. The people's material and spiritual life have been improved. Savings from within the economy has increased. The inflation rate has been checked and pushed back. External economic relations have been broadened.

The above-mentioned achievements have enabled Vietnam to tide over a socioeconomic crisis and have created necessary premises for this country to shift to a new stage of development during which vigorous efforts would be made to accelerate the national industrialization and modernization process.

With regard to the economic development plan for the period from now to the year 2000, Minister Do Quoc Sam disclosed that Vietnam would strive for quick economic development with an average GDP growth rate of 9-10 percent and would reach the goal of doubling average per capita GDP growth rate compared with 1990. Meanwhile, steps will be taken to resolve pressing social problems, ensure harmonious development in the various regions, promote science and technology, improve the conditions of infrastructure, and perfect investment systems and investment policies in such a way as to mobilize to the fullest extent all domestic resources while at the same time attracting and making good use of all sources of foreign capital.

To create favorable conditions for foreign investors, Vietnam plans to further improve the investment environment, including infrastructure, communications, information, power and water supply, and services. At the same, Vietnam will accelerate investment planning and expand the various sectors, regions, and industrial zones. Steps will also be taken to compile lists of priority investment projects for foreign investors to have a clear idea about Vietnam's national development objectives and achieve better results. These projects are under consideration by state agencies and will be used

as criteria for foreign-invested project consideration and approval.

Minister Do Quoc Sam also answered a number of questions raised by Vietnamese and foreign journalists concerning economic development and investment.

SRV: Congress Views Rural Economy, Vietnamese Abroad

*BR0107044596 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 30 Jun 96*

[FBIS Translated Excerpt] Dear friends: as reported earlier, the Eighth National Party Congress continued its session at the Ba Dinh Conference Hall in Hanoi today [30 June] to hear reports by a number of delegates. The report by Comrade Bui Huu Hai, delegate from Vinh Phu Province, appraised the successful and unsuccessful tasks of socioeconomic development in the countryside. He cited various key issues that should be resolved, especially those related to the central areas and the mountainous regions. After assessing the results in agricultural production during the past 10 years of renovation, Comrade Bui Huu Hai pointed to the persistent difficulties in the countryside, especially those faced by peasants in the central and mountainous regions. He said that most of the peasant households only earned enough to pay for their basic needs — meals and clothes — while facing difficulties in caring for their children in terms of education and medical treatment. To effectively develop the economy in the central and mountainous regions, especially in agriculture and forestry, Comrade Bui Huu Hai proposed:

[Begin Bui Huu Hai recording] We must formulate general and separate development plans for the whole region and for each province. In formulating plans, we should take into consideration the particular conditions that must be met. In planning production, we should consider the proper direction and market for our products. In recent economic development, the planning of economic development programs for various regions and provinces was carried out slowly. The old management mechanism was not able to cope with the pace of the economy. As a result, economic development in many localities proceeded spasmodically, lacking an overall strategy and producing poor results. For this reason, a specific economic development plan is very important because it involves the development and distribution of the labor force for the whole region. It involves an economic strategy for each province and is part and parcel of the nation's general economic strategy. It also provides conditions for each province to determine its own orientations. Allocation of land and forest to households should be carried out urgently but not on a common basis; land should be allocated to households with

production conditions [words indistinct] to create conditions for increasing production output. Realities show that the number of peasant households who have capital, energy, and intellect, and who know how to engage in effective production and [words indistinct] are few. [passages omitted on how to allocate land to peasant households to obtain high economic results] [end recording]

Dealing with the contributions made by the more than two million overseas Vietnamese abroad, Comrade Pham Khac Lang of the Bloc of Central Organs, reported that in the past period the overseas Vietnamese have made great contributions to the renovation undertaking. To allow the Vietnamese community abroad to make more contributions to the fatherland, especially to national industrialization and modernization, Comrade Pham Khac Lang proposed:

[Begin Pham Khac Lang recording] The Party Political Bureau resolution No. 08 on the policy toward and task for overseas Vietnamese issued three years ago and the Party Central Committee's political report presented at this Eighth National Party Congress asserted that the overseas Vietnamese are an inseparable part of the Vietnamese national community. A fellow countryman delivered a speech at the Overseas Vietnamese Conference in February 1993 in Ho Chi Minh City, saying that the two million overseas Vietnamese living in many countries on every continent comprise a very complicated community; this is because they departed Vietnam and settled in foreign countries under different conditions. Naturally, there are good and bad people in all the various communities and societies; there are people who have goodwill in making contributions to society and there are those who take advantage of loopholes in the legal system to further their own interests. Now that Vietnam has adopted an open-door policy, the intricate, negative elements of this overseas Vietnamese community will surely infiltrate into the country through various immigration doors and other channels. This is an unavoidable circumstance.

And that is not all. There are still hostile arguments and resentful voices here and there. There are still people hiding in the dark and refusing to drop their dubious schemes. These extremists are becoming more and more isolated; their voices are becoming more and more out of tune. If they continue to follow this ruinous path, they are eliminating themselves from the Vietnamese community abroad and the community of Vietnamese people in general.

In regard to this community, the consistent policy of our party and state stipulates: Equal treatment to all people at home and abroad, condemnation of all prejudices

and resentment toward each other, closing the past to turn to the future, building up the spirit of unity and mutual trust, and developing the general strength of the national community as a whole and the national patriotic tradition and honor for the causes of the protection of independence and unification and a prosperous people, a strong country, and an equitable and advanced society. These will serve as our common objectives, while any divergences that do not run counter to the national interests will be accepted. I quote these lines from the Party Political Report, page 71.

The viewpoint, lines, and policies toward the Vietnamese community abroad are clear and consistent. We should say, however, that they have not yet been turned fully into concrete and proper policies and targets. Even in the policies already released, there are points that need to be reviewed and adjusted so that they can properly reflect the guidelines of the Central Committee.

Our compatriots abroad still have some concerns about being an inseparable part of the community of Vietnamese people; they should be entitled to all due rights and obligations as all other members of the community, without any differentiation. The most common expectation of these compatriots is that all Vietnamese living overseas still holding Vietnamese citizenship should, in basic terms, be entitled to all due rights and obligations just as the Vietnamese people at home. Otherwise, they will feel that they are being treated like foreigners in their own fatherland. It is clear that we need to rectify all actions, intentional or otherwise, that have led to the above impression, which hinders all national unity efforts. There are many things to do, but first of all we probably need to work out a comprehensive and long-term strategy to turn the community of Vietnamese living abroad into a inseparable part of the community of Vietnamese people, enabling them to join hands with the people at home to contribute to the industrialization and modernization undertaking led by the Eighth National Party Congress [end recording].

SRV: Do Muoi's Remarks to Foreign Journalists

LD0107105096 Melbourne Radio Australia
in English 0830 GMT 1 Jul 96

[FBIS Transcribed Text] Vietnam's ruling body will today reappoint its top leader, the 79-year-old general secretary of the Communist Party, Mr. Do Muoi. He'll be officially confirmed in office at the closing session of the party's eighth national congress in Hanoi. During a break in the congress proceedings Do Muoi made a rare foray outside to speak to the international press. Our correspondent Peter Meyers reports:

[Begin recording] [Meyers] After sitting through two and a half days of solid speeches, the party chief emerged from the congress hall into stifling summer heat and was immediately engulfed in a crush of reporters. But the 79-year-old, who has held Vietnam's top job for the past five years, showed no sign of fatigue and parried questions for 40 minutes. In fact, the usually inaccessible leader appeared to enjoy the interchange, cracking jokes at reporters' expense and waving off the minders who tried to hustle him back inside.

Asked why he was staying on in power after himself repeatedly stressing the need to promote younger leaders, Do Muoi gave the answer typical of a politician. He said: It's the will of the people. They won't let me rest, they make me work even though I'm nearly 80. I belong to the party and the people; they tell me what I should do.

The lead-up to the eighth national congress has seen months of protracted and secretive party meetings as individuals and factions jostled for power. One member of the 17-man Politburo was dumped from office in disgrace accused of having betrayed party comrades 30 years earlier, but party chief Do Muoi dismisses talk of splits within the ranks.

[Du Moi] We have never had any division. Ever since our August Revolution in 1945 our motto has been unity, unity, unity. The stories you have are misinformation.

[Correspondent] The national congress has seen repeated calls for Vietnam to be vigilant against hostile forces who want to undermine the party's hold on power. Conservatives blame 10 years of market reform for the growth of social problems and the weakening of the party's control over society. Congress documents have stressed the leading role of the state in the economy, highlighting a continued suspicion of private enterprise. And the political report presented by General Secretary Do Muoi calls for the setting up of Communist Party cells within foreign joint ventures. Don't be scared of the party cells, said Do Muoi, foreign joint ventures can benefit from having party cells. If something happens the party can settle the matter. The party chief insists that foreign investors are welcome in Vietnam and that the process of economic reform will continue. However, he made clear that any future change will be cautious.

[Du Moi] I myself would like to accelerate reform but at the same time I want to see efficiency and stability. If development is too rapid, we may make mistakes. If you run too fast you fall over.

[Meyers] The Communist Party will announce the lineup of its new Central Committee and Politburo at the closing session of the national congress this afternoon. It will also appoint up to seven top officials to a standing board within the Politburo. This new body will make day to day decisions on a wide range of issues. Party chief Do Muoi is sure to be a member, which means he'll emerge from the congress back in office and with even more power than before. [end recording]

SRV: New CPV Politburo, Standing Board, Control Commission

BK0107134796 Hanoi Voice of Vietnam Network
in Vietnamese 0811 GMT 1 Jul 96

[Members of the Eighth Party Central Committee Political Bureau, Standing Board, and Control Commission, read by General Le Kha Phieu listed at the closing session of the Eighth National Party Congress in Hanoi on 1 July — recorded]

[FBIS Translated Text] By virtue of the Party Statute, the Party Central Committee, Eighth Term, has convened its first plenum and elected the 19-member Political Bureau:

1. Do Muoi,
2. Le Duc Anh,
3. Vo Van Kiet,
4. Nong Duc Manh,
5. Le Kha Phieu,
6. Doan Khue,
7. Phan Van Khai,
8. Nguyen Manh Cam,
9. Nguyen Duc Binh,
10. Nguyen Van An [newly elected],
11. Pham Van Tra [newly elected],
12. Tran Duc Luong [newly elected],
13. Nguyen Thi Xuan My, [newly elected],
14. Truong Tan Sang [newly elected],
15. Le Xuan Tung [newly elected],
16. Le Minh Huong [newly elected],
17. Nguyen Dinh Tu [newly elected and died on 28 June],
18. Pham The Duet, and
19. Nguyen Tan Dung [newly elected]

The Eighth Party Central Committee's first plenum elected Comrade Do Muoi as General Secretary of the Party Central Committee, Eighth Term. [applause]

The Eighth Party Central Committee Political Bureau elected a five-member Standing Board of the Political Bureau:

1. Do Muoi,

2. Le Duc Anh,
3. Vo Van Kiet,
4. Le Kha Phieu, and
5. Nguyen Tan Dung [applause]

The party Central Committee also elected the seven-member Control Commission of the Eighth Party Central Committee:

1. Nguyen Thi Xuan My — member of the party Central Committee Political Bureau and former deputy chairman of the Standing Committee of the Seventh Party Central Committee Control Commission — chairman of the commission.

2. Truong Vinh Trong, member of the party Central Committee and former member of the Seventh Party Central Committee Control Commission;
3. Vu Quoc Hung, member of the party Central Committee and former member of the Seventh Party Central Committee Control Commission
4. Nguyen Van Tham, former member of the Seventh Party Central Committee Control Commission;
5. Nguyen Anh Lien, former member of the Seventh Party Central Committee Control Commission;
6. Hoang Kim Son, chief of the party Central Committee Control Department; and,
7. Nguyen Minh Nien, chief of the party Central Committee Organization Department.

SRV: Members of 8th CPV Central Committee Listed

BK0107111596 Hanoi Voice of Vietnam Network in Vietnamese 0811 GMT 1 Jul 96

[List of members' names of the newly elected 170-member CPV Central Committee, Eighth Term, read by General Le Kha Phieu at the closing session of the Eighth National Party Congress in Hanoi on 1 July — recorded]

[FBIS Translated Text] The Congress has elected the Party Central Committee, Eighth Term, comprising 170 members as follow:

1. Comrade Do Muoi, general secretary of the Party Central Committee, seventh term;
2. Nguyen Van An, deputy head of the party Central Committee Organization Department;
3. Le Duc Anh, state president;
4. Le Hong Anh, secretary of Kien Giang Province party committee;
5. Do Van An, former secretary of Son La Province party committee;
6. Vo Dong Ba, secretary of Tien Giang Province party committee;

7. Nguyen Ba, secretary of Nghe An Province party committee;
8. Nguyen Dinh Bin, deputy foreign minister;
9. Dao Dinh Binh, director of railway transportation enterprises union of third zone;
10. Nguyen Duc Binh, director of the Ho Chi Minh National Political Institute;
11. Nguyen Manh Cam, minister of foreign affairs;
12. Nguyen Van Chi, deputy head of central internal political protection department;
13. Tran Thi Trung Chien, deputy minister of public health;
14. Dang Vu Chu, minister of industry;
15. Vu Dinh Cu, member of the National Assembly Standing Committee and head of the National Assembly's Science, Technology and Environment Committee;
16. Vo Van Cuong, deputy secretary of Ho Chi Minh City party Committee;
17. Phan Dien, director of the party Central Committee's Office;
18. Nguyen Canh Dinh, minister and chairman of the Vietnam Mekong Committee;
19. Nguyen Thi Doan, rector of the Hanoi Commercial College;
20. Ho Nghia Dung, director of the Vietnam General Steel Corporation;
21. Nguyen Tan Dung, deputy minister of interior;
22. Major General Le Van Dung, commander of 7th Military Region;
23. Pham The Duyet, former secretary of Hanoi Party Committee;
24. Ha Quang Du, minister of youth and sports;
25. Do Binh Duong, secretary of party committee and chairman of people's committee of Ha Bac Province;
26. Major General Nguyen Khac Duong, deputy commander of the 4th Military Region;
27. Le Van Dy, secretary of party committee and chairman of the people's committee of Ba Ria-Vung Tau Province;
28. Tran Van Dang, secretary general of the Vietnam Fatherland Front Central Committee;
29. Nguyen Van Dan, deputy minister of Agriculture and Rural Development;
30. Nguyen Khoa Diem, deputy minister of Culture and Information;
31. Luu Van Dien, secretary of Can Tho Province party committee;
32. Cha-Male A Dieu, secretary of Ninh Thuan Province party committee;
33. Luong Cong Doan, secretary of party committee and chairman of people's committee of Phu Yen Province;

34. Truong Quang Duoc, deputy secretary of party committee and chairman of the people's committee of Quang Nam-Danang Province;
35. Major General Nguyen Van Duoc, deputy commander of 5th Military Region;
36. Tran Xuan Gia, deputy minister of Planning and Investment;
37. Nguyen Binh Giang, secretary of Quang Ninh Province party committee;
38. Pham Minh Hac, deputy minister of Education and Training;
39. Nguyen Ngo Hai, secretary of Bac Thai Province party committee;
40. Bui Huu Hai, secretary of party committee and chairman of people's committee of Vinh Phu Province;
41. Tran Mai Hanh, deputy chairman and secretary of the Vietnam Journalist Association;
42. Nguyen Thi Hang, deputy minister of Labor, War Invalids, and Social Welfare;
43. Cu Thi Hau, deputy chairman of the Confederation of Vietnamese Workers;
44. Nguyen Minh Hien, rector of the Hanoi Polytechnic College;
45. Major General Nguyen Huy Hieu, deputy chief of general staff of the Vietnam People's Army;
46. Nguyen Van Hieu, chairman of the National Council for Natural Science and Technology;
47. Truong My Hoa, chairman of the Women's Union;
48. Tran Hoa, secretary of party committee and chairman of people's committee of Quang Binh Province;
49. Tran Dinh Hoan, minister of Labor, War Invalids, and Social Welfare;
50. Nguyen Duc Hoan, secretary of party committee and chairman of people's committee of Quang Tri Province;
51. Tran Thi Minh Hoang, secretary of party committee and chairman of people's committee of Dong Nai Province;
52. Vu Tuyen Hoang, rector of the Grain and Subsidiary Food Crop Institute;
53. Dang Thanh Hoc, secretary of the Minh Hai Province party committee;
54. Hoang Van Hon, secretary of the party committee and chairman of the people's committee of Hoa Binh Province;
55. Nguyen Thi Kim Hong, deputy minister of Trade;
56. Colonel Vo Nhan Huan, deputy commander of the Navy;
57. Colonel Bui Van Huan, deputy commander of the 9th Military Region;
58. Vu Quoc Hung, member of the party Central Committee Control Commission;
59. Nguyen Sinh Hung, deputy minister of Finance;
60. Phan The Hung, deputy head of the party Central Committee Internal Affairs Department;
61. Vo Duc Huy, secretary of party committee and chairman of people's committee of Quang Ngai Province;
62. Bui Quoc Huy, secretary of party committee and chairman of the people's committee of Tra Vinh Province;
63. Lieutenant General Le Minh Huong, deputy minister of Interior;
64. Dang Huu, minister of Science, Technology, and Environment;
65. Phan Van Khai, deputy prime minister;
66. Pham Gia Khiem, deputy minister of Planning and Investment;
67. Ha Thi Khiet, secretary of party committee and chairman of the people's committee of Tuyen Quang Province;
68. Vu Khoan, deputy minister of Foreign Affairs;
69. Dinh Huu Khoa, deputy director of party Central Committee's Office;
70. General Doan Khue, minister of National Defense;
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73. Doan Van Kien, director general of the Vietnam Coal Corporation;
74. Vo Van Kiet, prime minister;
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77. Vu Ngoc Ky, secretary of the Yen Bai Province party committee;
78. Mai Thuc Lan, secretary of the Quang Nam-Danang Province party committee;
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80. Mai Kieu Lien, director general of the Vietnam Dairy Company;
81. Ngo Xuan Loc, minister of building;
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83. Bui Danh Luu, minister of communication and transport;
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85. Vu Mao, member of the National Assembly Standing Committee and director of the National Assembly Office;
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87. Nguyen Thi Minh, deputy secretary of the party committee and chairwoman of the people's committee of Tay Ninh Province;
88. Dang Vu Minh, director of the National Center of Natural Sciences and Technology;

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92. Thai Phung Ne, president of the Board of Management of the Vietnam Power General Corporation;
93. Pham Thanh Ngan, lieutenant general, deputy director of the Political General Department;
94. Hoang Duc Nghi, minister, chairman of the Nationalities and Mountain Region Committee;
95. Pham Quang Nghi, deputy director of the Party Central Committee Culture and Ideology Department;
96. Ho Tien Nghi, deputy director general of the Vietnam News Agency;
97. Hoang Van Nghien, deputy secretary of the party committee and chairman of the people's committee of Hanoi City;
98. Le Duy Ngo, deputy director of the Party Central Committee Organization Department;
99. Ta Quang Ngoc, deputy minister of marine products;
100. Tran Minh Ngoc, secretary of the Nam Ha Province party committee;
101. Vo Hong Nhan, secretary of the party committee and chairman of the people's council of Dong Thap Province;
102. Nguyen Dy Nien, deputy foreign minister;
103. Trang A Pao, secretary of the party committee and chairman of the people's council of Lao Cai Province;
104. Nguyen Tan Phat, deputy director of the Ho Chi Minh City National University;
105. Le Kha Phieu, senior lieutenant general, director of the Political General Department;
106. Pham Thanh Phong, secretary of the Long An Province party committee;
107. Tong Thi Phong, secretary of the party committee and chairwoman of the people's council of Son La Province;
108. Lam Phu, deputy chief of the Nam Bo Khmer People's Representation;
109. Vo Hong Phuc, deputy minister of planning and investment;
110. Ksor Phuoc, deputy secretary of the party committee and vice chairman of the people's committee of Gia Lai Province;
111. Do Nguyen Phuong, minister of public health;
112. Lo Van Puon, secretary of the party committee and chairman of the people's council of Lai Chau Province;
113. Tran Hong Quan, minister of education and training;
114. Nguyen Van Quan, secretary of the Vinh Long Province party committee;
115. Nguyen Duy Quy, director of the National Center of Social Sciences and the Humanities;
116. Nguyen Van Rin, major general, deputy general chief of staff;
117. Nguyen Van Rop, secretary of the Tay Ninh Province party committee;
118. To Huy Rua, deputy director of the Ho Chi Minh National Institute of Politics;
119. Chu Van Ry, deputy director of the Party Central Committee Organization Department;
120. Truong Tan Sang, secretary of the Ho Chi Minh City party committee;
121. Nguyen Van Son, deputy director of the Party Central Committee External Relations Department;
122. Pham Thi Son, member of the party committee's standing body and chairwoman of the mass mobilization department of Ba Ria-Vung Tau Province;
123. Bui Xuan Son, former secretary of the party committee and chairman of the people's council of Nam Ha Province;
124. Do Trung Ta, president of the Board of Management of the Vietnam Post and Telegraph General Corporation;
125. Nguyen Cong Tan, minister of agriculture and rural development;
126. Hoang Tanh, secretary of the Lang Son Province party committee;
127. So Lay Tang, secretary of the Kon Tum Province party committee;
128. Nguyen Van Tam, secretary of the party committee and chairman of the people's council of Ha Tay Province;
129. Nong Hong Thai, secretary of the party committee and chairman of the people's council of Cao Bang Province;
130. Ta Thu Thanh, director of the State Inspection Committee;
131. Nguyen Phuc Thanh, lieutenant general and director of the Logistics General Department;
132. Tran Thi Thanh Thanh, minister and director of the Committee for the Production and Care of Children;
133. To Tu Thanh, party secretary of the Binh Dinh Province Party Committee and chairman of the Binh Dinh People's Committee;
134. Vo Thi Thang, vice chairwoman of the Vietnam Women Association;
135. Truong Cong Than, party secretary of the An Giang Party Committee;
136. Dao Trong Thi, deputy chancellor of the Hanoi National University;
137. Ngo Danh Thi, party secretary of the Thua Thien-Hue Province Party Committee and chairman of the Thua Thien-Hue People's Committee;
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 151. Nguyen Duc Trieu, vice chairman of the Vietnam Peasants association;
 152. Do Ngoc Trinh, deputy minister of planning and investment;
 153. Nguyen Tan Trinh, minister of marine products;
 154. Nguyen Phu Trong, editor-in-chief of TAP CHI CONG SAN;
 155. Truong Vinh Trong, member of the Central Control Party Committee;
 156. Dinh Trung, party secretary of the Binh Thuan Province Party Committee;
 157. Do Quang Trung, director of the Tourism General Department;
 58. Vu Xuan Truong, deputy party secretary of the Thai Binh Province Party Committee and chairman of the Thai Binh Province People's Committee;
 159. Le Van Tu, party secretary of the Thanh Hoa Province Party Committee;
 160. Tran Van Tuan, deputy party secretary of the Hanoi Party Committee;
 161. Le Xuan Tung, party secretary of the Hanoi Party Committee;
 162. Truong Dinh Tuyen, deputy minister of the ministry of commerce;

163. Nguyen Van Tu, chairman of the Vietnam General Federation of Labor;
 164. Nguyen Dinh Tu, director of the Central Education Department;
 165. Nguyen Thi Hong Van, party secretary of the Khanh Hoa Party Committee and chairman of the Khanh Hoa Province People's Committee;
 166. Ho Duc Viet, first party secretary of the Ho Chi Minh Communist Youth Union;
 167. Hong Vinh or Nguyen Phi Lu, deputy editor-in-chief of NHAN DAN;
 168. Tran Van Vu, party secretary of the Soc Trang Province Party Committee and chairman of the Soc Trang Province People's Committee;
 169. Le Danh Thuong, party secretary of the Haiphong Party Committee and chairman of the Haiphong People's Committee;
 170. Nguyen Van Yeu, vice chairman of the National Assembly Legislative Committee;

SRV: Do Muoi Gives Speech at Congress Closing Session

BK0107125396 Hanoi Voice of Vietnam Network in Vietnamese 0835 GMT 1 Jul 96

[Speech by Party General Secretary Do Muoi at the 1 July closing session of the Eighth National Party Congress — live]

[FBIS Translated Text] Congress presidium, comrade advisers to the party Central Committee; delegates; and distinguished international guests:

After days of intensive work, today we fulfilled the entire agenda of the eighth national congress of delegates. The congress discussed and passed many important documents — a political report, the orientations and tasks of the five-year 1996-2000 plan for socioeconomic development, an amended and revised party statute, and the congress resolution.

The congress elected the Eighth Party Central Committee with sufficient abilities and qualities needed to shoulder the heavy tasks entrusted to it by the party and the people, to develop the character of continuity and succession, and to continue the renovation process of building and defending the socialist fatherland.

It is the congress' expectation and belief that the comrades newly elected to the Eighth Party Central Committee will strive to improve their knowledge in a bid to outstandingly fulfill their assigned heavy tasks, and that they will exemplarily maintain their personality and dignity to be worthy of being members of the Central Committee of the Communist Party of Vietnam.

The congress highly values the contributions of, and is deeply moved by, the requests of various comrades in the Political Bureau, the Secretariat, and the Seventh Party Central Committee to not stand for reelection to the Eighth Party Central Committee, thus creating the proper conditions to rejuvenate the highest organ of the party in its new tenure. We wish you, comrades, good health and expect that you will continue to dedicate your knowledge and experience to the revolutionary undertaking in the new stage. [applause]

Our congress also warmly welcomes the valuable contributions of various comrade advisers and members of the Seventh Party Central Committee.

The Eighth Party Central Committee's First Plenum has recommended that three comrades — Nguyen Van Linh, Pham Van Dong, and Vo Chi Cong — continue to serve as advisers to the party Central Committee. [applause]

The congress sincerely thanks veteran revolutionaries, notables, intelligentsia, religious dignitaries, Vietnam hero mothers, comrades-in-arms, compatriots, and combatants nationwide, and overseas compatriots for their positive contributions to the success of the congress. [applause]

The congress sincerely thanks international delegations for bringing the congress forum and the Vietnamese people their valuable and heartfelt sentiments, thus contributing duly to the success of the congress. [applause]

The congress is sincerely grateful for the attendance of the diplomatic corps; of representatives of international organizations and nongovernmental organizations in Hanoi; as well as of various local and international news agencies and press, radio, and television organs for attending and providing timely reports and comments on the congress. [applause]

The congress praises and thanks the chief of the Organizing Committee for the Eighth Party Congress, as well as all the cadres, combatants, workers, and state employees for working wholeheartedly to serve the congress, thus contributing positively to the success of the congress. [applause]

Dear comrades: The Eighth Party Congress has ended with great success. This success comes as a new source of joy and encouragement to our entire party, people, and army.

The congress results are of decisive importance to the destiny of the nation and the future of the country at a time when we are about to embark on the 21st century.

The Eighth Party Congress is a congress designed to continue the renovation process of national construction and defense, and is the people's happiness. The congress decided on many important issues, the implementation of which must be organized efficiently.

Let our entire party, people, and army strengthen their unity, be of the same minds and hearts, and strive to fulfill the objectives and tasks set forth by the Eighth Party Congress. [applause]

Ahead of us are numerous advantages, as well as many difficulties and ordeals. Every party cadre and member and every citizen must increase his determination and must take realistic action to contribute to developing advantages, seizing opportunities, overcoming difficulties, and surmounting ordeals to achieve the goals of making the people prosperous, the country powerful, and society equitable and civilized, while building socialism successfully.

In order to fulfill its historic mandate in the new stage, our party must renovate and rectify itself. The party must try to build itself into a truly clean and steadfast one, and increase its militancy and leadership skills.

Now more than ever before, we must remember and be determined to follow the teachings of Great President Ho Chi Minh. Since our party is a ruling party, every party cadre and member must be truly industrious, thrifty, honest, righteous, and free of self-interest. Each must be worthy of being a leader and an absolutely faithful servant of the people. [applause]

These are the deciding factors of the success of the implementation of the Eighth Party Congress resolutions.

Amid the joy and elation at the success of the congress, I solemnly declare the conclusion of the Eighth National Congress of the Communist Party of Vietnam. [applause]

SRV: Do Muoi, Nguyen Manh Cam Hold News Conference

BR0107162896 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 1 Jul 96

[Report by station correspondent Quang Huong]

[FBIS Translated Text] Immediately following the closing of the Eighth Party Congress this afternoon, Comrade General Secretary Do Muoi and Comrade Nguyen Manh Cam, member of the Political Bureau and foreign minister, convened a news conference. Attending the news conference were hundreds of Vietnamese and foreign journalists belonging to the various news agencies and radio and television stations.

Speaking on this occasion, Comrade General Secretary Do Muoi warmly welcomed the Vietnamese and foreign journalists and thanked them for carrying timely reports on the Eighth Congress of the Communist Party of Vietnam [CPV]. In evaluating the results of the Eighth Congress, Comrade General Secretary Do Muoi said:

[Begin Do Muoi recording] Over the past several days, by working with a very high sense of urgency and in

an atmosphere of democracy, unity, and singlemindedness, the congress has fulfilled its duty. The congress evaluated the implementation of the resolutions of the Seventh Congress held in June 1991, wrapped up the results of 10 years of renovation, and set forth the objectives, orientations, and measures to implement national industrialization and modernization to the years 2000 and 2020. The congress also supplemented or amended a number of articles of the Party Statute, reviewed the leadership of the Party Central Committee, the seventh tenure, and elected a new Party Central Committee.

The Eighth Congress is a congress of continued renovation along the path chartered by the Sixth and Seventh Congresses. The great significance of this congress rests not only with the formulation of major tasks for the foreseeable future but also in the preparation of conditions for the country to firmly enter the 21st century. [End recording]

In evaluating the contributions of the Vietnamese and foreign mass media toward the success of the CPV's Eighth Congress, Comrade General Secretary Do Muoi emphatically said:

[Begin Do Muoi recording] Over the past years, the Vietnamese mass media have positively contributed toward the process of renovation, the implementation of democratic principles, and the creation of a healthy environment for everyone to appreciate the true, the good, and the beautiful. Furthermore, they have made every effort to propagate party policies and lines while at the same time serving as a people's forum. As a result, they have won the people's love and trust.

May I avail myself of this opportunity to sincerely thank the Vietnamese mass media for helping with the preparations for the congress, thus making it a success. It is my hope that in the days ahead, the mass media will continue to make a positive contribution by helping with the dissemination of the congress resolutions and with the consolidation of the great national unity bloc and by motivating the people to work creatively, turn the party lines into reality, and achieve or even surpass the targets set by the congress in order to turn our country into a prosperous, powerful, equitable, and civilized socialist nation.

I would like to sincerely thank the foreign mass media for their active efforts to introduce the renovation process in Vietnam over the past years, for their profound interest in our country, and for their endeavors to provide the world people with timely information on our party congress and on Vietnam and its people. The information that you dispatched from Hanoi during these days will help the world better understand that Vietnam and its people, after half a century of destruction by war, are striving to build a better life with every passing day. [end recording]

Dear friends, at this news conference, Comrade Nguyen Manh Cam answered many questions from newsmen both at home and abroad on the results of the Eighth National Party Congress.

In response to the THOI BAO KINH TE SAIGON correspondent's question on the different contents of the renovation undertaking set by the Eighth National Party Congress in comparison to that of the Seventh National Party Congress, Comrade Nguyen Manh Cam said:

[Begin Nguyen Manh Cam recording] First, I think that the most important point is that while the Seventh National Party Congress reviewed the initial results of the five-year renovation, the Eighth National Party Congress reviewed the results of the 10-year renovation; and while during the Seventh Party Congress we still faced the socioeconomic crisis, at the Eighth Party Congress we had already extricated our nation from this crisis although some areas have not yet been firmly restored. Second, while the Seventh Party Congress decided to continue the struggle to overcome the socioeconomic crisis, the Eighth Party Congress — on the basis of achievements recorded in the renovation over the past 10 years — decided to shift to a new stage of national industrialization and modernization. In other words, we will continue the renovation undertaking but to a higher degree than in the past. The average ages of members of the Eighth Party Central Committee is two years younger than that of the Seventh Party Central Committee. And third, the Eighth Party Congress marks a continued effort in rejuvenating the party. [end recording]

Answering a question from a U.S. newspaper reporter on relations between the United States and Vietnam, Nguyen Manh Cam said:

[Begin Nguyen Manh Cam recording] U.S.-Vietnam diplomatic relations will be a year old this July. During the past almost one year, development in relations between the United States and Vietnam, especially in the trade and investment domains, can be seen. Two-way trade value of the two countries during the first six months of this year increased twofold as compared to 1995 despite the fact that Vietnam has not been granted a most favored nation status. Investments by U.S. companies and cartels in Vietnam have also developed. To date, U.S. companies have invested about \$1-1.2 billion in Vietnam under 38 projects. Now, both sides should hold talks on the signing of a trade agreement, and based on this agreement a decision will be made regarding the granting of most favored nation status to Vietnam. This process is continuing. But as experienced by other countries, and due to the fact that this is an election year [in the United States], negotiations for signing the trade agreement may need more time. [end recording]

Comrade Nguyen Manh Cam also answered many other questions from Vietnamese and foreign newsmen.

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